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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)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS			
	2025	2024	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>+ / (-)</i>
Revenue	383,101	333,376	14.9%
Gross profit	208,921	175,509	19.0%
Profit for the year	30,265	32,904	(8.0%)
Profit attributable to equity shareholders	23,814	32,300	(26.3%)
	As at 31 December		
	2025	2024	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>+ / (-)</i>
Total assets	607,286	551,788	10.1%
Cash and cash equivalents	92,316	141,480	(34.7%)
Total equity attributable to the equity shareholders	215,160	180,866	19.0%

FINANCIAL RESULTS

The board of directors (the “**Board**”) of Gilston Group Limited (the “**Company**”) is pleased to present the audited consolidated results of the Company and its subsidiaries (together referred to as the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	5	383,101	333,376
Cost of sales		<u>(174,180)</u>	<u>(157,867)</u>
Gross profit		208,921	175,509
Other revenue and gains/(losses), net	6	5,376	16,134
Distribution costs		(30,844)	(23,500)
Administrative expenses		(129,327)	(101,077)
(Impairment loss)/reversal of impairment losses on trade receivables		(789)	371
Finance costs	7	<u>(8,493)</u>	<u>(3,752)</u>
Profit before tax	8	44,844	63,685
Income tax expense	9	<u>(14,579)</u>	<u>(30,781)</u>
Profit for the year		<u>30,265</u>	<u>32,904</u>
Profit for the year attributable to:			
Equity shareholders of the Company		23,814	32,300
Non-controlling interests		<u>6,451</u>	<u>604</u>
Profit for the year		<u>30,265</u>	<u>32,904</u>
Earnings per share (<i>HK cents</i>)	10		
Basic		<u>4.1</u>	<u>5.6</u>
Diluted		<u>4.1</u>	<u>5.5</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year	<u>30,265</u>	<u>32,904</u>
Other comprehensive income for the year		
– Exchange differences on translation of the financial statements of subsidiaries in the Mainland China	<u>8,118</u>	<u>(5,740)</u>
Total comprehensive income for the year	<u>38,383</u>	<u>27,164</u>
Attributable to:		
Equity shareholders of the Company	31,723	26,975
Non-controlling interests	<u>6,660</u>	<u>189</u>
Total comprehensive income for the year	<u>38,383</u>	<u>27,164</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		31,824	50,903
Right-of-use assets		30,925	64,231
Intangible assets		538	680
Investment properties		–	17,174
Prepayment and rental deposits		254,203	164,749
Deferred tax assets		3,206	7,139
		320,696	304,876
Current assets			
Inventories		9,936	36,393
Trade and bills receivables, other receivables, prepayments and deposits	11	54,013	67,048
Amount due from a related party		2,093	1,991
Cash and cash equivalents		92,316	141,480
		158,358	246,912
Assets classified as held for sale		128,232	–
		286,590	246,912
Current liabilities			
Trade and other payables	12	111,245	114,904
Amount due to a director		10,000	–
Tax payable		45,634	34,814
Bank borrowings		8,915	19,082
Lease liabilities		5,867	18,914
		181,661	187,714
Liabilities related to assets classified as held for sale		91,010	–
		272,671	187,714
Net current assets		13,919	59,198
Total assets less current liabilities		334,615	364,074

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Bank borrowings		91,381	95,409
Lease liabilities		25,374	72,694
Deferred tax liabilities		1,124	3,378
		<u>117,879</u>	<u>171,481</u>
Net assets		<u>216,736</u>	<u>192,593</u>
Capital and reserves			
Share capital	13	5,745	5,745
Reserves		209,415	175,121
		<u>215,160</u>	<u>180,866</u>
Total equity attributable to the equity shareholders of the Company		<u>215,160</u>	<u>180,866</u>
Non-controlling interests		<u>1,576</u>	<u>11,727</u>
Total equity		<u>216,736</u>	<u>192,593</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

(Expressed in Hong Kong dollars unless otherwise indicated)

1. GENERAL

Gilston Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 July 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of its registered office and its principal place of business are disclosed in the Corporate Information section to the annual report.

The Company acts as an investment holding company. The Company and its subsidiaries (the “**Group**”) are mainly engaged in the manufacture and sales of zippers business. Starting from 31 December 2024, the Group commenced its leasing of Jiajinlong Car City business.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) New amendments adopted from 1 January 2025

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
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The application of the amendments to an HKFRS Accounting Standard 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.

(b) Revised/amendments to HKFRSs that have been issued but are not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the application of the amendments to HKFRS Accounting Standards is not expected to have material impact to the Group's consolidated financial statements in the future.

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)

HKFRS 18 Presentation and Disclosure in Financial Statements (“**HKFRS 18**”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* (“**HKAS 1**”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (“**MPMs**”) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional currency

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

4. SEGMENT REPORTING

The chief operating decision-maker (i.e. “CODM”) has been identified as the senior executive management of the Company.

The Group manages its businesses by divisions, which are organised by a mixture of both business line and geography.

In December 2024, the Company acquired 90% equity interest in 深圳市嘉進隆實業發展有限公司 (Shenzhen Jiajinlong Industrial Development Co., Ltd., “**Shenzhen Jiajinlong**”) which is mainly engaged in the leasing, subleasing and property management services of Jiajinlong Car City business and thus, subsequent to the completion of the acquisition of Shenzhen Jiajinlong, information reported to the CODM, for the purposes of resource allocation and assessment, focuses on revenue from the following operating segments:

- Manufacture and Sales of Zippers; and
- Property Investment and Provision of Property Management Services.

The accounting policies of the operating segments are the same as the Group’s accounting policies.

Senior executive management assesses the performance of the operating segments based on the measure of segment results which represents revenue less cost of sales and services, distribution expenses and administrative expenses directly attributable to each operating segment. Central administrative costs are not allocated to the operating segments as they are not included in the measure of the segment results that are used by the CODM for assessment of segment performance.

Segment assets include all assets with exception of corporate assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis. Likewise, segment liabilities exclude deferred tax liabilities and corporate liabilities which are not directly attributable to the business activities of operating segments and not allocated to segments.

(a) **Business segments**

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	Manufacture and sales of zippers HK\$'000	Property investment and Provision of property management services HK\$'000	Total HK\$'000
For the year ended 31 December 2025			
Reportable segment revenue	<u>256,919</u>	<u>126,182</u>	<u>383,101</u>
Reportable segment profit	<u>8,919</u>	<u>60,796</u>	<u>69,715</u>
Depreciation for the year	<u>23,709</u>	<u>3,565</u>	<u>27,274</u>
Gain on disposal of property, plant and equipment	<u>(349)</u>	<u>–</u>	<u>(349)</u>
Amortisation for the year	<u>173</u>	<u>17,616</u>	<u>17,789</u>
		Property investment and Provision of property management services	Total
	Manufacture and sales of zippers HK\$'000	HK\$'000	HK\$'000
For the year ended 31 December 2024			
Reportable segment revenue	<u>237,875</u>	<u>95,501</u>	<u>333,376</u>
Reportable segment (loss)/profit	<u>(2,989)</u>	<u>91,510</u>	<u>88,521</u>
Depreciation for the year	<u>22,866</u>	<u>–</u>	<u>22,866</u>
Loss on disposal of property, plant and equipment	<u>3,631</u>	<u>–</u>	<u>3,631</u>
Amortisation for the year	<u>185</u>	<u>–</u>	<u>185</u>

(b) **Reconciliations of reportable segment revenue, profit or loss and assets**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	383,101	333,376
Elimination of inter-segment revenue	—	—
	<u> </u>	<u> </u>
Consolidated revenue (<i>note 5</i>)	<u>383,101</u>	<u>333,376</u>
Loss before income tax		
Reportable segment profit derived from the Group's external customers	69,715	88,521
Other revenue and losses, net	5,376	16,134
Interests on lease liabilities	(4,258)	(3,552)
Share-based payments	(2,571)	(10,621)
Unallocated head office and corporate expenses (<i>note</i>)	(23,418)	(26,797)
	<u> </u>	<u> </u>
Consolidated profit before income tax	<u>44,844</u>	<u>63,685</u>

Note: Unallocated head office and corporate expenses mainly represented depreciation of right-of-use assets in relation to an office premises, auditor's remuneration and legal and professional fees.

5. REVENUE

The amount of each significant category of revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sales of goods		
Finished zippers and sliders	252,897	235,830
Others	4,022	2,045
	<u> </u>	<u> </u>
	256,919	237,875
Rental income	112,184	—
Services income		
Property management fee income	<u>13,998</u>	<u>95,501</u>
	<u>383,101</u>	<u>333,376</u>

The Group derives revenue from the sales of goods at a point in time while the property management fee income is recognised over time.

6. OTHER REVENUE AND GAINS/(LOSSES), NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from other sources		
Interest income	523	1,366
Government grants (<i>note a</i>)	1,051	1,161
Relocation compensation (<i>note b</i>)	–	13,912
Utility income from tenant	1,559	–
	<u>3,133</u>	<u>16,439</u>
Other gains/(losses), net		
Net foreign exchange gains	2,290	(291)
Loss on disposal of property, plant and equipment	462	(3,631)
Bargain gain on acquisition of a subsidiary (<i>note c</i>)	–	3,571
Others	(509)	46
	<u>2,243</u>	<u>(305)</u>
	<u><u>5,376</u></u>	<u><u>16,134</u></u>

Note:

(a) Government grants

For the year ended 31 December 2025 and 2024, government grants granted to certain subsidiaries were mainly VAT tax incentives to enterprises recruiting key groups for employment which include disabled person or people classified as poverty group in China. There were no unfulfilled conditions to receive the grants.

(b) Relocation compensation income

During the year ended 31 December 2024, the vacation of the production base was completed, and the remaining compensation monies was subsequently received and thus, the Company recognised the entire Relocation compensation monies of as other income which was credited to profit or loss.

(c) Bargain gain on acquisition of a subsidiary

The Company recognised a bargain gain regarding the acquisition of 90% equity interests in Shenzhen Jiajinlong during the year ended 31 December 2024.

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest in bank borrowing	4,235	200
Interest in lease liabilities	4,258	3,552
	<u>8,493</u>	<u>3,752</u>

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Staff costs

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Salaries, wages and other benefits	110,089	102,904
Contributions to defined contribution retirement plans	18,840	17,596
Share-based compensation	2,571	10,621
	<u>131,500</u>	<u>131,121</u>

(b) Other items

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation and amortisation		
Property, plant and equipment	12,652	13,427
Intangible assets	173	185
Right-of-use assets	14,622	11,439
Investment property	17,616	-
	<u>45,063</u>	<u>25,051</u>
Auditors' remuneration		
Audit services	1,300	1,200
Other services	550	1,200
	<u>1,850</u>	<u>2,400</u>
Research and development expenses	22,032	15,731
Cost of inventories sold and cost of services	174,180	157,867
Including impairment loss on inventories	1,485	500
Gross rental income from investment properties	112,184	-
Less: Outgoing in respect of investment properties that generated rental income during the year	<u>(24,119)</u>	<u>-</u>
	<u>88,065</u>	<u>-</u>

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Income tax expense/(credit) in the consolidated statement of profit or loss represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
PRC corporate income tax		
Provision for the year	18,324	29,552
Withholding income tax	623	4,018
Deferred tax		
Reversal of temporary differences	<u>(4,368)</u>	<u>(2,789)</u>
	<u><u>14,579</u></u>	<u><u>30,781</u></u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“**BVI**”), the Group is not subject to any income tax in the Cayman Islands or the BVI.

Under the two tiered profits tax rates regime, KEE Zippers Corporation Limited (“**KEE Zippers**”) is subject to Hong Kong Profits Tax at 8.25% for the first HK\$2 million of profit whilst the remaining profit is taxed at 16.5%.

- (ii) 開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited*) (“**KEE Guangdong**”) was recognised as a High and New Technology Enterprise and is entitled to a preferential income tax rate of 15% up to 2025. Except for KEE Guangdong, the statutory income tax rate applicable to the Company’s other subsidiaries in Mainland China is 25%.
- (iii) The Group is subject to PRC withholding tax of 10% on the gross income including dividend from its PRC subsidiaries to the Hong Kong subsidiaries. Pursuant to the Corporate Income Tax Law of the PRC and its relevant regulations, PRC-resident enterprises are levied withholding income tax at 10% on dividends to their non-PRC-resident corporate investors for earnings accumulated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. Under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of the equity interest of a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5%.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to equity shareholders of the Company is based on the following data:

Earnings figures are calculated as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year attributable to equity shareholders of the Company	23,814	32,300
	Number of shares	
	2025	2024
	<i>(number of shares '000)</i>	
Weighted average number of ordinary shares for the purpose of basic earnings per share	574,498	573,675
Effect of dilutive potential ordinary shares – Options	12,373	12,126
Weighted average number of ordinary shares for the purpose of diluted earnings per share	586,871	585,801

11. TRADE AND BILLS RECEIVABLES, OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	46,462	58,147
Bills receivable	1,251	6,003
	<u>47,713</u>	<u>64,150</u>
Less: Impairments	(1,848)	(1,044)
	<u>45,865</u>	<u>63,106</u>
Contract receivables balances		
Prepayments relating to:		
– Property, plant and equipment	3,379	1,852
– Investment properties	250,740	159,015
– Other prepayments	6,361	3,106
	<u>260,480</u>	<u>163,973</u>
Rental deposits	84	3,882
Others	1,787	836
	<u>308,216</u>	<u>231,797</u>
Analysed as:		
– Current	54,013	67,048
– Non-current	254,203	164,749
	<u>308,216</u>	<u>231,797</u>

Trade receivable are in general due within 30–90 days from the date of billing.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable, based on the invoice date and net of allowance for impairment, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	14,302	24,060
Over 1 month but within 2 months	15,670	20,174
Over 2 months but within 3 months	7,591	8,902
Over 3 months	8,302	9,970
	<u>45,865</u>	<u>63,106</u>

12. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade creditors	3,545	12,869
Payroll and staff benefits payable	29,732	33,392
Accrued expenses	21,593	20,613
Receipt in advance for the disposal of subsidiary	4,458	–
Payables for purchase of property, plant and equipment	6,588	3,010
Other tax payables	7,400	8,434
Contract liabilities	1,152	986
Other payables	2,210	2,180
Deposit from tenants	32,473	31,916
Amount due to non-controlling interest	558	–
Receipt in advance under HKFRS 16	1,536	1,504
	<u>111,245</u>	<u>114,904</u>

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade creditors, based on the invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	981	4,409
Over 1 month but within 3 months	1,887	6,414
Over 3 months but within 6 months	508	697
Over 6 months	169	1,349
	<u>3,545</u>	<u>12,869</u>

13. SHARE CAPITAL

Authorised and issued share capital

	At 31 December 2025		At 31 December 2024	
	Number of shares '000	Share capital HK\$'000	Number of shares '000	Share capital HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	<u>2,000,000</u>	<u>20,000</u>	<u>2,000,000</u>	<u>20,000</u>
Ordinary shares, issued and fully paid:				
At 1 January	574,498	5,745	557,765	5,578
Proceeds from placing of new shares, net of expenses	<u>–</u>	<u>–</u>	<u>16,733</u>	<u>167</u>
At 31 December	<u>574,498</u>	<u>5,745</u>	<u>574,498</u>	<u>5,745</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

14. DIVIDENDS

The Board did not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

15. CONTINGENT LIABILITIES

At the end of the reporting period, there were allegedly infringing product claims being lodged against two subsidiaries of the Group claiming (i) in one of the action, an immediate cessation of the production of an allegedly infringing product, destruction of all existing inventory of such product, compensation for economic losses, reasonable expenses of, and reimbursement of all litigation costs; and (ii) in another action, an immediate cessation of the production of an allegedly infringing product, destruction of all existing inventory of such product, compensation for economic losses and reasonable expenses totaling RMB1,000,000 (2024: RMB1,000,000), and reimbursement of all litigation costs.

Other than the disclosure of above, as at the end of the reporting period, the Group was not involved in any other material litigation or arbitration. As far as the management of the Group was aware, the Group had no other material litigation or claim which was pending or threatened against the Group. As at 31 December 2025, the Group was the defendant of certain non-material litigations, and also a party to certain litigations arising from the ordinary course of business of the Group.

In the opinion of the Directors, the likely outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained with reasonable certainty at present, but the management of the Group believes that any possible legal liability which may be incurred from the aforesaid cases will not have any material impact on the financial position or results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group continued to operate the property management services during the year ended 31 December 2025. On 31 December 2024, the Company completed the share subscription agreement and Shenzhen Jiajinlong Industrial Development Co., Ltd (“**Jiajinlong**”) became the subsidiary of the Group. Upon the completion, the management agreement was terminated and the Group operates the Jiajinlong Car City directly through Jiajinlong. The Jiajinlong Car City is a modern complex that brings together car showrooms, service centres and related automotive facilities, creating a one-step destination for vehicles sales, maintenance and customer care located at Nanshan District of Shenzhen.

The Group continued to operate the zipper business during the year ended 31 December 2025. The customers in zipper business are primarily OEMs who manufacture apparel products for (i) apparel brands in China; and (ii) some well-known international apparel labels. The Group maintains a close working relationship with apparel brand owners on the design of zippers to be applied on the apparel products. The apparel brand owners usually decide on the supplier for their OEMs and place orders with such OEMs who in turn source zippers and other garment accessories from the Group.

FINANCIAL HIGHLIGHTS

The Group’s revenue for the year ended 31 December 2025, comprised revenue from property management services and zipper business, increased to HK\$383.10 million as compared with approximately HK\$333.38 million for the year ended 31 December 2024.

Profit before taxation for the year ended 31 December 2025 was approximately HK\$44.84 million (2024: Profit before taxation HK\$63.69 million), representing a decrease of approximately HK\$18.85 million as compared to prior year. The decrease was mainly attributable to, amongst others: (1) increase in overall cost of operations, (2) during the year ended 31 December 2024, the Group received a one-off relocation compensation of HK\$13.9 million and (3) finance costs increased by approximately HK\$4.7 million compared to the prior year due to full year effect of bank borrowings.

REVENUE

For the year ended 31 December 2025, the Group recorded revenue amounting to approximately HK\$383.10 million, representing an increase of approximately 14.9% as compared to the previous year. The increase in revenue was primarily due to a full recognition of revenue from operation of Jiajinlong Car City during the year instead of provision of management services and sharing the revenue through the management agreement in year 2024.

The following table sets forth the details of the Group's total revenue by type for the years indicated:

	2025		2024	
	<i>HK\$ million</i>	<i>%</i>	<i>HK\$ million</i>	<i>%</i>
Zipper business	256.92	67.0	237.88	71.4
Rental income	112.18	29.3	–	–
Property management business	14.00	3.7	95.50	28.6
Total revenue	383.10	100.0	333.38	100.0

Zipper Business

For the year ended 31 December 2025, the Group revenue from manufacture and sales of zippers amounted to approximately HK\$256.92 million, representing an increase of approximately 8.0% as compared to the previous year.

The following tables analysis the revenue from zipper business indicated by product category and geographic location, respectively:

Revenue analysis by product category:

	2025		2024	
	<i>HK\$ million</i>	<i>%</i>	<i>HK\$ million</i>	<i>%</i>
<i>Sales of goods</i>				
Finished zippers and sliders	252.90	98.4	235.83	99.1
Others	4.02	1.6	2.05	0.9
Total revenue	256.92	100.0	237.88	100.0

Revenue analysis by geographic location:

	2025		2024	
	<i>HK\$ million</i>	<i>%</i>	<i>HK\$ million</i>	<i>%</i>
Mainland China	244.64	95.2	224.38	94.3
Overseas	12.28	4.8	13.5	5.7
Total revenue	256.92	100.0	237.88	100.0

Finished Zippers and Sliders

Revenue from sales of finished zippers and sliders increase by approximately HK\$17.07 million or 7.2% to approximately HK\$252.90 million for the year ended 31 December 2025 (2024: approximately HK\$235.83 million). The increase was primarily due to growth in consumer demand.

The Group's revenue was mainly derived from sales in Mainland China. Other countries or regions to which the Group sold its products for the year ended 31 December 2025 include but not limited to Hong Kong, Switzerland, Italy, India, Indonesia, Bangladesh, Germany, Korea, Vietnam, Tunisia and Jordan.

Others

Others represent items such as scrap material and zipper components. Revenue of other items increased by approximately HK\$1.97 million to approximately HK\$4.02 million for the year ended 31 December 2025 (2024: approximately HK\$2.05 million).

Property Investment and Management Business

On 31 December 2024, the Company completed the share subscription agreement and Jiajinlong became the subsidiary of the Group. Upon the completion, the management agreement was terminated and the Group operates the Jiajinglong Car City directly through Jiajinlong. Revenue from property investment and management business increased by approximately HK\$30.68 million or 32.1% to approximately HK\$126.18 million for the year ended 31 December 2025 (2024: approximately HK\$95.50 million). The increase in revenue was primarily due to a full recognition of revenue from operation of Jiajinlong Car City during the year instead of provision of management services and sharing the revenue through the management agreement in year 2024.

COST OF SALES AND GROSS PROFIT

In 2025, the overall cost of sales of the Group amounted to approximately HK\$174.18 million (2024: approximately HK\$157.87 million), representing an increase of approximately 10.3%. The overall gross profit of the Group increased by approximately 19.03% from approximately HK\$175.51 million for the year ended 31 December 2024 to approximately HK\$208.92 million for the year ended 31 December 2025. In 2025, the overall gross profit margin increased from approximately 52.6% for 2024 to 54.5% for 2025. The increase in gross profit was primarily due to the expansion of new property management services income which has relatively higher profit margin. The gross profit margin for rental and property management services is primarily affected by its rates charges for leased areas and management services and cost control capabilities. The gross profit for manufacture and sales of zippers amounting to approximately HK\$106.86 million, representing an increase of approximately 31.9% as compared to the previous year.

DISTRIBUTION COSTS

Distribution costs mainly represent (i) staff costs relating to sales and marketing personnel; (ii) transportation costs for delivery of the Group's products; and (iii) advertising and marketing expenses. For the year ended 31 December 2025, the Group's distribution costs amounted to approximately HK\$30.84 million (2024: approximately HK\$23.50 million), accounting for approximately 8.1% of the Group's revenue (2024: approximately 7.0%). The increase in distribution costs was in line with the increasing in turnover.

ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of (i) salary and welfare expenses for management and administrative personnel; (ii) professional fees and auditors' remuneration; and (iii) other administrative expenses including depreciation and amortisation. In 2025, the Group's administrative expenses amounted to approximately HK\$129.33 million (2024: approximately HK\$101.08 million), which accounted for approximately 33.8% of the Group's revenue (2024: approximately 30.3%). The increase in administrative expenses was mainly due to the increase in overall costs in relation to the operation of property investment and management business.

INCOME TAX EXPENSES

Income tax expense for the year ended 31 December 2025 and 2024 mainly represents Enterprise Income Tax payable for property investment and management service business.

PROFITABILITY

In 2025, the Group's profit attributable to equity shareholders of the Company amounted to approximately HK\$23.81 million (2024: profit attributable to equity shareholders of the Company was approximately HK\$32.30 million), representing a decrease of approximately 26.3% as compared to 2024. The margin of profit attributable to the equity shareholders of the Company for the year was approximately 6.2% (2024: margin of profit attributable to equity shareholders of the Company was approximately 9.7%).

During the year ended 31 December 2025, the Group's return on equity attributable to the equity shareholders of the Company was approximately 11.1% (2024: approximately 17.9%).

INVENTORIES

Inventories are one of the principal components of the Group's current assets of zipper business. The carrying value of inventories accounted for approximately 14.7% and 6.3% of the Group's total current assets as at 31 December 2024 and 2025 respectively.

Inventories decreased by approximately 72.7% from approximately HK\$36.39 million as at 31 December 2024 to approximately HK\$9.94 million as at 31 December 2025. The decrease in inventories was due to the Group's inventory policy to optimize the level of materials to meet the production requirements.

The average inventory turnover days for 2025 and 2024 were approximately 56 days and 72 days respectively.

TRADE DEBTORS

As at 31 December 2025, the allowance for impairment was approximately HK\$1.85 million (31 December 2024: approximately HK\$1.04 million), accounting for approximately 4.1% of the Group's total trade debtors (2024: approximately 1.6%).

From the zipper segment, the Group's trade debtors (net) decreased by around 24.8% from approximately HK\$60.60 million of last year to approximately HK\$45.55 million as at 31 December 2025.

The average trade debtors turnover days of zipper business for 2025 and 2024 were approximately 75 days and 97 days respectively.

OTHER RECEIVABLES

Other receivables mainly represent rental deposits of certain factories and office premises with remaining lease terms of less than one year. The increase in balance of other receivables by approximately HK\$4.21 million, representing an increase of approximately 106.9% from approximately HK\$3.94 million in 2024 to approximately HK\$8.15 million in 2025.

ASSETS HELD FOR SALE

On 19 December 2025, KEE (Guangdong) Garment Accessories Limited (“**KEE Guangdong**”, a limited liability company established in the PRC and an indirect 85%-owned subsidiary of the Company), as the vendor, the Purchaser (as defined below), and KEE (Hubei) Zippers Manufacturing Company Limited (“**KEE Hubei**”, a limited liability company established in the PRC and a wholly-owned subsidiary of KEE Guangdong) as the target company entered into the conditional Equity Transfer Agreement (as defined below) pursuant to which KEE Guangdong agreed to sell, and the Purchaser agreed to acquire, the entire equity interests in KEE Hubei at the consideration of RMB40,000,000 (equivalent to approximately HK\$44,000,000). Consideration of RMB4,000,000 was received in advance before year ended.

KEE Hubei engaged in manufacturing and trading of zipper and related accessories in PRC. The Directors of the Company concluded that the assets and liabilities of KEE Hubei should be classified as held-for-sale as at 31 December 2025 in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations on the basis that the disposal was expected to be completed in early 2026.

TRADE CREDITORS

The Group’s trade creditors primarily relate to suppliers of the Group’s purchases of raw materials with main credit terms of approximately 7 to 60 days.

The Group’s trade creditors decreased by 72.5% from approximately HK\$12.87 million as at 31 December 2024 to approximately HK\$3.55 million as at 31 December 2025. The average trade creditors turnover days for 2025 and 2024 were approximately 17 days and 29 days respectively.

OTHER PAYABLES

Other payables mainly represent (i) payroll and staff benefits payable; (ii) payables for purchase of property, plant and equipment; (iii) accrued expenses; and (iv) deposit from tenants. The balance of other payables increased by approximately 5.6% to approximately HK\$107.70 million as at 31 December 2025 (2024: approximately HK\$102.04 million).

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at 31 December 2025, the lease liabilities and right-of-use assets amounted to approximately HK\$31.24 million (2024: approximately HK\$91.61 million) and approximately HK\$30.93 million (2024: approximately HK\$64.23 million) respectively.

LIQUIDITY AND CAPITAL RESOURCES

The following table is a summary of cash flow data for the two years ended 31 December 2024 and 2025:

	2025	2024
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net cash generated from operating activities	125.27	31.23
Net cash (used in)/generated from investing activities	(115.40)	40.16
Net cash (used in)/generated from financing activities	(54.26)	12.33
Net (decrease)/increase in cash and cash equivalents	(44.39)	83.72
Cash and cash equivalents at 1 January	141.48	63.33
Effect of foreign exchange rate changes	(1.40)	(5.57)
Cash and cash equivalents at 31 December*	95.69	141.48

* The balance including bank balance and cash attributable to assets classified as held for sale.

The Group's net cash inflow from operating activities for the year 2025 amounted to approximately HK\$125.38 million (2024: HK\$31.23 million). As at 31 December 2025, cash and cash equivalents amounted to approximately HK\$95.69 million, representing a decrease of approximately HK\$45.79 million as compared with the position as at 31 December 2024, which was mainly due to the combined effect of the cash flows for the year ended 31 December 2025 as shown in the above table.

BANK BORROWINGS

As at 31 December 2024, included in the balance amounting to HK\$10,601,000 is unsecured and carries fixed interest at 3.5%.

As at 31 December 2025, the balance amounting to HK\$100,296,000 (2024: HK\$103,890,000) are individual guaranteed by the directors of the subsidiary and related parties of the directors of the subsidiaries and secured by properties owned by the related parties of the directors of the subsidiaries and carries variable interest rate at Loan Prime rate plus 5%. All are denominated in RMB.

NET CASH POSITION

The Group recorded a net negative cash position of HK\$7.98 million (2024: net cash position of HK\$26.99 million), calculated by deducting the bank borrowings from cash and cash equivalents as at 31 December 2025.

GEARING RATIO

The Group's gearing ratio decreased from 59.4% as at 31 December 2024 to 46.3% as at 31 December 2025, which is calculated using bank borrowings divided by total equity and multiplied by 100%.

NET CURRENT ASSETS

As at 31 December 2025, the Group had net current assets of approximately HK\$13.92 million. The key components of current assets as at 31 December 2025 included cash and cash equivalents of approximately HK\$92.32 million, trade and bills receivables, other receivables, prepayments and deposits of approximately HK\$54.01 million, and inventories of approximately HK\$9.94 million. The current liabilities mainly represented trade and other payables of approximately HK\$111.25 million, current portion of bank borrowings of approximately HK\$8.92 million and current portion of lease liabilities of approximately HK\$5.87 million.

The net current assets decreased from approximately HK\$59.20 million as at 31 December 2024 to approximately HK\$13.92 million as at 31 December 2025.

PLEDGE OF ASSETS

The Group did not have any assets owned by the Group which were pledged for borrowings.

CAPITAL COMMITMENTS

The capital commitments in respect of property, plant and equipment as at 31 December 2025 and 2024 not provided for in the consolidated financial statements were approximately HK\$20.99 million and approximately HK\$36.71 million respectively.

FOREIGN CURRENCY RISK

The Group is exposed to currency risk primarily through sales and bank deposits which give rise to receivables and cash balances that are denominated in USD under KEE Zippers Corporation Limited (“**KEE Zippers**”).

As HK\$ is pegged to USD, the Group considers the risk of movements in exchange rates between USD and HK\$ to be insignificant.

Assuming that a general appreciation/depreciation of 0.5% in HK\$ against RMB at 31 December 2025, with all other variables held constant, there would be a decrease/increase of the Group's net profit for the year and decrease/increase of accumulated profits by approximately HK\$0.76 million (2024: increase/decrease in net profit and decrease/increase of accumulated losses by approximately HK\$0.76 million).

The sensitivity analysis assumes that the change in foreign exchange rate had been applied to re-measure the bank deposits and the inter-company other receivables which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The Group currently has no hedging arrangement for foreign currencies. The management will continue to monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

EMPLOYEES

As at 31 December 2025, the Group had 702 full-time employees (2024: 696). The Group reviews the remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees. Save for the social insurance in China and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any amount of money to provide for retirement or similar benefits for its employees. The staff costs incurred in the year 2025 were approximately HK\$131.50 million (2024: approximately HK\$131.12 million). The increase in staff costs is mainly due to increase in number of full time employees and average salary of employees.

CONTINGENT LIABILITIES

At the end of the reporting period, there were allegedly infringing product claims being lodged against two subsidiaries of the Group claiming (i) in one of the action, an immediate cessation of the production of an allegedly infringing product, destruction of all existing inventory of such product, compensation for economic losses, reasonable expenses of, and reimbursement of all litigation costs; and (ii) in another action, an immediate cessation of the production of an allegedly infringing product, destruction of all existing inventory of such product, compensation for economic losses and reasonable expenses totaling RMB1,000,000 (2024: RMB1,000,000), and reimbursement of all litigation costs.

Other than the disclosure of above, as at the end of the reporting period, the Group was not involved in any other material litigation or arbitration. As far as the management of the Group was aware, the Group had no other material litigation or claim which was pending or threatened against the Group. As at 31 December 2025, the Group was the defendant of certain non-material litigations, and also a party to certain litigations arising from the ordinary course of business of the Group.

In the opinion of the Directors, the likely outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained with reasonable certainty at present, but the management of the Group believes that any possible legal liability which may be incurred from the aforesaid cases will not have any material impact on the financial position or results of the Group.

CONNECTED TRANSACTIONS

Connected Transactions in Relation to the Lease in Respect of Certain Land and Buildings

- (i) On 15 January 2024, Classic Winner Limited (“**Classic Winner**”), a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE Zippers, an indirect 85%-owned subsidiary of the Company, as lessee entered into a lease renewal agreement (the “**Fourth HK Lease Renewal Agreement**”) pursuant to which Classic Winner has agreed to lease to KEE Zippers a property in Hong Kong at a monthly rental of HK\$52,600 (exclusive of Government rates, Government rent, management fees and all other outgoings) payable in advance in cash without any deduction on the 16th day of each month for a term of two years commencing from 16 January 2024 to 15 January 2026. As Classic Winner is owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, who are directors of certain subsidiaries of the Company, Classic Winner is therefore a connected person of the Company at the subsidiary level.

An independent property valuer advised that the monthly rental of HK\$52,600 is fair and reasonable with reference to the market value.

- (ii) On 30 December 2022, Mr. Xu Xipeng and Mr. Xu Xinan, connected persons at the subsidiary level of the Company, as lessors and KEE Guangdong as lessee, entered into the lease renewal agreement (the “**Guangdong Lease Renewal Agreement 2022**”) to renew the lease of a plant in Guangdong for a further term of two years commencing from 1 January 2023 to 31 December 2025 for a monthly rental of RMB428,980 payable within the first 10 working days of each month commencing from 1 January 2023.

An independent property valuer advised that the monthly rental of RMB428,980 is fair and reasonable with reference to the market value.

(iii) On 31 August 2023, KEE Jingmen and KEE Hubei entered into a lease agreement for a PRC property (the “**PRC Property**”) for a term from 1 September 2023 to 31 August 2029 (the “**Lease Agreement**”), which replaced the leases expired on 31 August 2023 as mentioned in items (iv) and (v) above, pursuant to which KEE Jingmen agreed to lease to KEE Hubei the production base in Zhejiang Province at a monthly rental of RMB969,735 payable in cash before the fifteen day of each month commencing from 1 September 2023 with three months’ rent of RMB2,909,205 as deposit. As KEE Jingmen is owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively therefore a connected person of the Company at the subsidiary level. An independent property valuer advised that the monthly rental of RMB969,735 is fair and reasonable with reference to the market rate.

Details of which had been disclosed in the Company’s relevant announcements dated 30 December 2022, 31 August 2023 and 15 January 2024.

BUSINESS UPDATE IN RELATION TO CONTINUOUS RECOGNITION AS AN ENTERPRISE OF NEW AND HIGH TECHNOLOGY AND PROFIT TAX CONCESSION

KEE Guangdong, a 85%-owned subsidiary of the Company, has been continuously recognised as an enterprise of new and high technology according to the recognition certificate jointly issued by the Science and Technology Department of Guangdong (廣東省科學技術廳), the Finance Department of Guangdong (廣東省財政廳), the State Tax Bureau of Guangdong (廣東省國家稅務局) and the Provincial Tax Bureau of Guangdong (廣東省地方稅務局).

According to the relevant regulations, being recognised as an enterprise of new and high technology, KEE Guangdong would be entitled to enjoy a preferential tax concession in the People’s Republic of China and its applicable profit tax rate up to 2026 is expected to be 15%. Without this preferential tax concession, normal profit tax rate of KEE Guangdong would be 25%.

PROSPECT

In 2025, although national policies to stimulate consumption and new consumption models have revitalized the domestic market and driven its recovery, the competitiveness of the manufacturing and export businesses will still be affected by US government policies, including those relating to fentanyl trafficking, trade imbalances and retaliatory tariffs. Coupled with escalating geopolitical tensions, these factors will further reduce the competitiveness of the manufacturing and export businesses. Looking ahead, the Group will continue to pursue an asset-light business development model focused on stable cash flows, leveraging its strengths to build a solid and sustainable foundation for growth.

Property Investment and Management Business

At the end of 2024, upon completion of share subscription, the Group began directly operating Jiajinlong Car City. The Car City provides leasing, property management, and other services, generating stable cash flow for the Group. On 29 August 2025, the Group obtained approval for Jiajinlong to be the sole party responsible for the management and operation of the Car City, and the sole right to receive the relevant operating profits and to renew the land use rights. The operating period of the Car City has also been extended to 15 July 2030. The Group is currently working towards obtaining approval for the 20-year renewal of the land use rights, actively upgrading and improving the facilities and environment of the Car City, considering, where appropriate, the introduction of elements such as new energy development, culture, entertainment and tourism, and enhancing its social responsibility while developing its business, seeking sustainable development and positive returns for shareholders of the Company.

Zipper Business

As mentioned above, the trading environment for the Group's zipper business has been adversely and significantly affected, placing specific and relatively significant pressure on the Group's zipper business operations (including, but not limited to, its future profitability; its flexibility and resilience in the face of complex business and political environments; and the risk of sudden changes in political and trade policies). The Group is actively undertaking reforms, focusing on core product design, development, and manufacturing processes. Resources will be allocated to producing innovative, high-quality products with higher profit margins and clear differentiation from market competitors, in order to enhance competitiveness, profitability, and resilience to adverse changes in the business and international trade environment.

The Group has always adhered to a pragmatic business strategy, seeking diversified development while stabilizing its existing businesses, in order to achieve stable growth, stable cash flow, and effectively reduce business risks.

CORPORATE GOVERNANCE

Good corporate governance is conducive to enhancing the Group's overall performance and accountability is essential in modern corporate administration. The Board, which includes three independent non-executive Directors, is responsible for setting strategic, management and financial objectives, continuously observing the principles of good corporate governance and devoting considerable effort to identifying and formalising best practices to ensure that the interests of Shareholders, including those of minority Shareholders, are protected.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code.

During the year ended 31 December 2025, the Company has complied with all the code provisions as set out in the Corporate Governance Code in all material respects except the following deviations.

(i) Chairman and chief executive officer

The position of Chairman was held by Mr. Yip Siu Lun Dave and the duties of the chief executive officer is performed by the existing management of the Group. This constitutes a deviation from the Code Provision C.2.1 but the Board is of the view that given the small size of the existing management team, Mr. Yip Siu Lun Dave has considerable experience in business development and the Board believes that the current structure will enable the Company to make and implement decisions promptly and efficiently. The Board will meet regularly to consider that this structure will not impair the balance of power and authority between the Board and the management of the Group.

(ii) Internal control and risk management

Under Code Provision D.2.5, the Group should have an internal audit function. The Group conducted an annual review on the need for setting up an internal audit department. Given the Group's simple operating structure, instead of setting up an internal audit department, the annual review on the risk management and internal control systems of the Group has been conducted by a professional third party and reported to the Audit Committee members. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Appropriate measures have been put in place to manage the risks. No major issue was raised for improvement. The improvement of the systems of risk management and internal control is an ongoing process and the Board maintains a continuing commitment to strengthen the Group's control environment and processes.

(iii) Attendance of General Meetings

Code provision C.1.6 of the CG Code requires that independent non-executive Directors and other non-executive Directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Certain independent non-executive Directors were unable to attend the annual general meeting of the Company that was held on 19 June 2025 respectively due to personal reasons.

MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made of all the Directors and the Directors have confirmed they have complied with the Model Code throughout the year ended 31 December 2025.

AUDIT COMMITTEE

An Audit Committee has been established with written terms of reference in compliance with the Corporate Governance Code. The main duties of the Audit Committee are to, amongst others, assist the Board in reviewing the financial information and reporting system, internal control system and risk management, relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Leung Ka Tin, Mr. Cheng Hong Kei and Mr. Ko Kok Shu. Mr. Cheng Hong Kei, an independent non-executive Director, is the chairman of the Audit Committee.

The Audit Committee held five meetings to review interim and annual financial results and reports during the year ended 31 December 2025 and significant issues on, amongst others, the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors, connected transactions and arrangements for employees to raise concerns about possible improprieties. The consolidated results of the Group for the year ended 31 December 2025 have been reviewed by the Audit Committee.

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 listed securities during the year ended 31 December 2025.

USE OF PROCEEDS FROM PLACING IN JANUARY 2024

On 4 January 2024, the Company and KGI Asia Limited (the “**Placing Agent**”) entered into a placing agreement. Pursuant to the placing agreement, the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 16,733,000 new shares of the Company at HK\$1.21 per share to not less than six placees. The new shares were allotted and issued pursuant to the general mandate granted to the Directors pursuant to the resolutions of the shareholders of the Company passed at the annual general meeting of the Company held on 27 June 2023. On 19 January 2024, 16,733,000 new shares of the Company have been successfully allotted and issued to not less than six placees at HK\$1.21 per share. The net issue price of the placing shares was HK\$1.19. The net proceeds from the placing of approximately HK\$19.9 million were intended to be used as general working capital and future business opportunities and investments of the Group. For details, please refer to the announcements of the Company dated 4 January 2024 and 19 January 2024.

Set out below is the summary of the utilisation of the net proceeds from the above placing:

	Allocation of proceeds <i>HK\$' million</i>	Utilisation as at 31 December 2025 <i>HK\$' million</i>	Utilisation as at date of this announcement <i>HK\$' million</i>	Unutilised as at the date of this announcement <i>HK\$' million</i>
Intended use of proceeds				
General working capital and future business opportunities and investments of the Group	<u>19.9</u>	<u>19.9</u>	<u>19.9</u>	<u>–</u>

DIVIDENDS

The Board does not recommend any payment of a final dividend (2024: Nil) in respect of the year 2025 to the Shareholders.

EVENTS AFTER THE REPORTING PERIOD

On 19 December 2025 (after trading hours), KEE Guangdong (an indirect 85%-owned subsidiary of the Company), as the vendor, 益創(湖北)拉鏈有限公司 (Yichuang (Hubei) Zippers Manufacturing Company Limited*) as the purchaser (the “**Purchaser**”), and KEE Hubei (a direct wholly-owned subsidiary of KEE Guangdong) as the target Company entered into the equity transfer agreement (the “**Equity Transfer Agreement**”) pursuant to which the KEE Guangdong agreed to sell, and the Purchaser agreed to acquire, the entire equity interests in KEE Hubei at the consideration of RMB40,000,000 (equivalent to approximately HK\$44,000,000). On the same day, KEE Guangdong as the buyer and KEE Hubei as the supplier entered into the procurement framework agreement (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 of the Equity Transfer Agreement and will last for a term of three years.

On 30 March 2026, the Equity Transfer Agreement in respect of 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, and the transactions were approved by the shareholders of the Company at the extraordinary general meeting of the Company. The Company is working out with the Purchaser to fulfill the remaining necessary condition(s) precedent for completion of the Equity Transfer Agreement.

For details, please refer to the announcement of the Company dated 19 December 2025, the circular of the Company dated 12 March 2026, and the poll results announcement of the Company dated 30 March 2026.

Save as disclosed above, there were no major subsequent events since 31 December 2025 and up to the date of this announcement.

SCOPE OF WORK OF ZSZH (HK) FUSON CPA LIMITED

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the results announcement have been compared by the Group’s auditor, ZSZH (HK) Fuson CPA Limited, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by ZSZH (HK) Fuson CPA Limited in this respect did not constitute an audit, review or other 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.irasia.com/listco/hk/gilstongroup/>). The annual report for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be made available on the same websites by no later than 30 April 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the Board of Directors
“CG Code”	code on corporate governance practices as set out in Appendix C1 to the Listing Rules
“Company”	Gilston Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 6 July 2010, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the Director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange, which excludes the GEM and the options market
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“OEM”	original equipment manufacturer or manufacturing

“PRC” or “China” or “Mainland China”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	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

* *for identification purpose only*

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

Hong Kong, 31 March 2026

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.