Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

GILSTON GROUP LIMITED
進騰集團有限公司

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	
	HK$'000	*HK$'000*	change
	(unaudited)	(unaudited)	+/(-)
Revenue	**183,224**	194,615	(5.9%)
Gross profit	**105,452**	99,349	6.1%
Gross profit margin	**57.6%**	51.0%	12.9%
Profit for the period	**34,536**	30,882	11.8%
Attributable to equity shareholders of the Company			
Profit for the period	**28,580**	26,372	8.4%
Basic earnings per share *(HK cents)*	**5.0**	4.6	8.7%
Diluted earnings per share *(HK cents)*	**4.9**	4.5	8.9%

	As at 30 June 2026	As at 31 December 2025	
	HK$'000	*HK$'000*	change
	(unaudited)	(audited)	+/(-)
Total assets	**608,819**	607,286	0.3%
Cash and cash equivalents	**170,643**	92,316	84.8%
Total equity attributable to equity shareholders of the Company	**255,097**	215,160	18.6%

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**Six months ended 30 June** **2026** ***HK$'000*** **(unaudited)**	2025 *HK$'000* (unaudited)
Revenue	5	**183,224**	194,615
Cost of sales		**(77,772)**	(95,266)
Gross profit		**105,452**	99,349
Other revenue, gains and losses, net	6(b)	**(375)**	3,232
Gain on disposal of a subsidiary		**18,163**	–
Distribution costs		**(9,278)**	(13,350)
Administrative expenses		**(61,378)**	(56,196)
Impairment loss recognised on trade receivables		**(1,558)**	–
Finance costs		**(3,581)**	(4,341)
Profit before tax	6	**47,445**	28,694
Income tax (expense) credit	7	**(12,909)**	2,188
Profit for the period		**34,536**	30,882
Profit for the period attributable to:			
Equity shareholders of the Company		**28,580**	26,372
Non-controlling interests		**5,956**	4,510
Profit for the period		**34,536**	30,882
Earnings per share attributable to the equity shareholders of the Company *(HK cents)*	8		
Basic		**5.0**	4.6
Diluted		**4.9**	4.5

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**34,536**	30,882
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	**11,148**	5,727
– Reclassification of cumulative translation reserve upon disposal of subsidiary	**112**	–
Total comprehensive income for the period	**45,796**	36,609
Attributable to:		
Equity shareholders of the Company	**39,366**	31,674
Non-controlling interests	**6,430**	4,935
Total comprehensive income for the period	**45,796**	36,609

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**At 30 June 2026** *HK$'000* **(unaudited)**	At 31 December 2025 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**34,254**	31,824
Right-of-use assets		**35,069**	30,925
Intangible assets		**379**	538
Prepayments and rental deposit		**235,970**	254,203
Deferred tax assets		**3,236**	3,206
Investment properties		**16,165**	–
		325,073	320,696
Current assets			
Inventories		**10,966**	9,936
Trade and other receivables	9	**75,263**	54,013
Amount due from a related party		**26,874**	2,093
Cash and cash equivalents		**170,643**	92,316
		283,746	158,358
Assets classified as held for sale		**–**	128,232
		283,746	286,590
Current liabilities			
Trade and other payables	10	**131,498**	111,245
Tax payable		**38,951**	45,634
Bank borrowings		**31,182**	8,915
Lease liabilities		**8,752**	5,867
Amount due to a director		**7,000**	10,000
		217,383	181,661
Liabilities directly associated with assets classified as held for sale		**–**	91,010
		217,383	272,671
Net current assets		**66,363**	13,919
Total assets less current liabilities		**391,436**	334,615

	Notes	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Non-current liabilities			
Bank borrowings		**90,082**	91,381
Lease liabilities		**43,940**	25,374
Deferred tax liabilities		**1,124**	1,124
		135,146	117,879
Net assets		**256,290**	216,736
Capital and reserves			
Share capital		**5,745**	5,745
Reserves		**249,352**	209,415
Total equity attributable to the equity shareholders of the Company		**255,097**	215,160
Non-controlling interests		**1,193**	1,576
Total equity		**256,290**	216,736

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL

Gilston Group Limited (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 of Hong Kong Limited (the "**Stock Exchange**").

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 and leasing and subleasing of Jiajinlong Car City business.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim financial reporting issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The preparation of the condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements contain condensed consolidated interim financial statements and selected explanatory notes. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**").

3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are required to be adopted in the 2026 annual financial statements. Details of these changes in accounting policies are set out below.

Overview on changes in accounting policies

The HKICPA has issued an amendment to HKFRSs that are first effective or first time adopted and relevant for the current accounting period of the Group:

Amendment to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*

The new or amended HKFRSs that are effective from 1 January 2026 did not have any significant impact on the Group's condensed consolidated interim financial statements.

4 SEGMENT REPORTING

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

The Group has two reporting divisions which are:

- 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.

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 chief operating decision-makers for assessment of segment performance.

Segment assets include all assets with the 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 six months ended 30 June 2026 and 2025 is set out below:

	Manufacture and sales of zippers	**Property Investment and Provision of Property Management Services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
For the period ended 30 June 2026			
Reportable segment revenue	120,462	62,762	183,224
Reportable segment profit	4,579	40,825	45,404
Depreciation for the period	10,540	1,126	11,666
Gain on disposal of property, plant and equipment	508	–	508
Amortisation for the period	169	–	169
Reportable segment assets at period end	181,019	361,730	542,749

	Manufacture and sales of zippers *HK$'000*	Property Investment and Provision of Property Management Services *HK$'000*	Total *HK$'000*
For the period ended 30 June 2026			
Additions to non-current segment assets during the period	9,859	23,365	33,224
Reportable segment liabilities at period end	137,909	166,261	304,170

	Manufacture and sales of zippers *HK$'000*	Property Investment and Provision of Property Management Services *HK$'000*	Total *HK$'000*
For the period ended 30 June 2025			
Reportable segment revenue	129,011	65,604	194,615
Reportable segment profit	11,137	29,733	40,870
Depreciation for the period	9,680	20,279	29,959
Loss on disposal of property, plant and equipment	15	–	15
Amortisation for the period	136	–	136
Reportable segment assets at period end	286,912	289,063	575,975
Additions to non-current segment assets during the period	19,552	447	19,999
Reportable segment liabilities at period end	197,206	137,553	334,759

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**183,224**	194,615
Elimination of inter-segment revenue	**–**	–
Consolidated revenue *(note 5)*	**183,224**	194,615
Profit before income tax		
Reportable segment profit derived from the Group's external customers	**45,404**	40,870
Other revenue, gains and losses, net	**(375)**	3,232
Interests on lease liabilities	**(1,614)**	(2,213)
Loan interest expenses	**–**	(2,128)
Share-based payments	**(571)**	(1,286)
Unallocated head office and corporate expenses *(note)*	**(13,562)**	(9,781)
Gain on disposal of a subsidiary	**18,163**	–
Consolidated profit before income tax	**47,445**	28,694

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

5. REVENUE

The amount of each significant category of revenue is as follows

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
At a point in time:		
Sales of finished zippers and sliders	**117,163**	125,199
Sales of other	**3,299**	3,812
	120,462	129,011
Overtime:		
Property management fee income	**8,945**	6,244
	129,407	135,255
Revenue from other sources		
Rental income	**53,817**	59,360
	183,224	194,615

6 PROFIT BEFORE TAX

Profit before tax is arrived at after charging (crediting):

a. Staff costs

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Salaries, wages and other benefits	**44,975**	51,370
Contributions to defined contribution retirement plans	**7,558**	9,112
Share-based compensation	**571**	1,286
	53,104	61,768

b. Other revenue, gains and losses, net

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**56**	355
Gain (loss) on disposal of property, plant and equipment	**508**	(27)
Government grants	**2,108**	183
Net foreign exchange (losses) gains	**(2,596)**	1,480
Others	**(451)**	1,241
	(375)	3,232

c. Other items

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Depreciation and amortisation		
– plant and equipment	**6,728**	6,225
– intangible assets	**169**	136
– right-of-use assets	**5,958**	7,198
– investment properties	**225**	17,451
	13,080	31,010
Cost of inventories sold and cost of services	**77,772**	95,266
Including impairment loss on inventories	**190**	195
Gross rental income from investment properties	**53,817**	59,360
Less: Outgoing in respect of investment properties that generated rental income during the year	**(1,229)**	(20,223)
	52,588	39,137

7 INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax – PRC corporate income tax	**11,642**	–
Under(over)-provision in respect of prior years		
– PRC corporate income tax	**1,176**	(2,188)
Deferred taxation	**91**	–
	12,909	(2,188)

(a) 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%.

(b) 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 2026. Except for KEE Guangdong, the statutory income tax rate applicable to the Company's other subsidiaries in Mainland China was 25%.

(c) 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%. As at 30 June 2026, deferred tax liability recognised in this regard was HK$1,124,000 (31 December 2025: HK$1,124,000).

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2026. Diluted earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares and potential ordinary shares in issue during the six months ended 30 June 2026. The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share	**28,580**	26,372

	For the six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	**574,497,800**	574,497,800
Effect of dilutive potential ordinary shares on share options	**11,410,458**	6,633,384
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	**585,908,258**	581,131,184

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 *HK$'000* **(unaudited)**	At 31 December 2025 *HK$'000* (audited)
Trade receivables	**68,149**	46,462
Bills receivable	**4,444**	1,251
	72,593	47,713
Less: Impairments	**(3,494)**	(1,848)
Trade and bills receivable, net of loss allowance	**69,099**	45,865
Prepayments relating to:		
– Property, plant and equipment	**2,335**	3,379
– Investment properties	**232,837**	250,740
– Other prepayments	**5,175**	6,361
	240,347	260,480
Rental deposits	**1,204**	84
Others	**583**	1,787
	311,233	308,216
Analysed as:		
– Current	**75,263**	54,013
– Non-current	**235,970**	254,203
	311,233	308,216

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

As at 30 June 2026, included in trade receivables of approximately HK$1,600,000 due from KEE (Hubei) Zippers Manufacturing Company Limited ("**KEE (Hubei)**").

Ageing analysis

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

	At 30 June 2026 *HK$'000* **(unaudited)**	At 31 December 2025 *HK$'000* (audited)
Within 1 month	**32,232**	14,302
Over 1 month but within 2 months	**18,809**	15,670
Over 2 months but within 3 months	**8,700**	7,591
Over 3 months	**9,358**	8,302
	69,099	45,865

10 TRADE AND OTHER PAYABLES

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Trade payables	**38,791**	3,545
Payroll and staff benefits payable	**23,081**	29,732
Accrued expenses	**16,746**	21,593
Receipt in advance for the disposal of subsidiary	**–**	4,458
Payables for purchase of property, plant and equipment	**5,345**	6,588
Other tax payables	**9,125**	7,400
Contract liabilities	**1,197**	1,152
Other payables	**2,144**	2,210
Deposit from tenants	**33,362**	32,473
Amount due to non-controlling interest	**–**	558
Receipt in advance under HKFRS 16	**1,707**	1,536
	131,498	111,245

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 payables, based on the invoice date, is as follows:

	At 30 June 2026 HK$'000 (unaudited)	At 31 December 2025 HK$'000 (audited)
Within 1 month	**25,998**	981
Over 1 month but within 3 months	**10,735**	1,887
Over 3 months but within 6 months	**11**	508
Over 6 months	**2,047**	169
	38,791	3,545

As at 30 June 2026, included in trade payables of approximately HK$28,085,000 due to KEE (Hubei).

11 DIVIDENDS

No interim dividend was declared in respect of the periods ended 30 June 2026.

12 CONTINGENT LIABILITIES

As at 31 December 2025, 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, and reimbursement of all litigation costs.

In July 2026, as disclosed in the announcement of the Company dated 24 July 2026, the Supreme People's Court of the People's Republic of China handed down its final judgment in July 2026 in respect of the action (i) mentioned above. Pursuant to the final judgment, two subsidiaries of the Group's appeal was dismissed, and the relevant subsidiaries of the Group are required to cease manufacturing, selling and offering for sale the infringing products, and jointly and severally pay the plaintiff compensation for economic losses and reasonable expenses totaling RMB600,000, which is fully provided.

The directors of the Company consider that the final judgment and the payment of the compensation thereunder will not have any material adverse impact on the financial position or results of the Group.

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 30 June 2026, 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

BUSINESS REVIEW

The Group continued to operate the zipper business and starting from September 2023, the Group commenced to provide property management services. From January 2025, the Group commenced its leasing and subleasing of Jiajinlong Car City through completion of share subscription of 90% share capital of Shenzhen Jiajinlong Industrial Development Co., Ltd (深圳市嘉進隆實業發展有限公司).

The Group continued to operate the zipper business during the six months ended 30 June 2026 (the "**Reporting Period**"). The customers in the 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.

The Group recorded profit attributable to equity shareholders of the Company of approximately HK$28.6 million for the six months ended 30 June 2026, as compared with profit attributable to equity shareholders of the Company of approximately HK$26.4 million for the same period in 2025. The increase in reported profit attributable to equity Shareholders for the six months ended 30 June 2026 is principally attributable to the gain on disposal of the entire equity interests in 開易(湖北)拉鏈製造有限公司 (KEE (Hubei) Zippers Manufacturing Company Limited*) ("**KEE Hubei**").

PROSPECTS

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 described above, the Group began directly operating Jiajinlong Car City. Jiajinlong 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 Jiajinlong Car City, and the sole right to receive the relevant operating profits and to renew the land use rights. The operating period of Jiajinlong Car City has also been extended to 15 July 2030. For details, please refer to the business update announcement of the Company dated 29 August 2025. 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 Jiajinlong 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.

The 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.

FINANCIAL REVIEW

A comparison of the financial results for the six months ended 30 June 2026 and the corresponding period in 2025 is set out as follows:

REVENUE

For the six months ended 30 June 2026, the Group recorded revenue amounting to approximately HK$183.2 million, representing a decrease of approximately 5.9% as compared to the same period in 2025. The decrease in revenue was primarily due to the decrease in revenue of the Group's zipper business which was adversely and significantly affected by the trading environment of the Group's zipper business during the Reporting Period.

The following table sets forth the details of the Group's total revenue by business segment for the periods indicated:

	2026		2025	
	HK'000	***%***	*HK'000*	*%*
	(unaudited)		(unaudited)	
Zipper business	**120,462**	**65.7**	129,011	66.3
Property investment and management business	**62,762**	**34.3**	65,604	33.7
	183,224	**100.0**	194,615	100.0

Property Investment and Management Business

The Group's revenue of the property investment and management business for the six months ended 30 June 2026 amounted to approximately HK$62.8 million, representing a decrease of approximately 4.3% as compared to the same period in 2025.

Zipper Business

The Group's revenue of the zipper business for the six months ended 30 June 2026 amounted to approximately HK$120.5 million, representing a decrease of approximately 6.6% as compared to the same period in 2025.

EXPENSES AND COSTS

Distribution costs, comprising mainly staff costs, transportation costs and advertising and promotion expenses, decreased by approximately 30.5% to approximately HK$9.3 million for the six months ended 30 June 2026 from approximately HK$13.4 million for the same period in 2025, which was mainly due to the decrease in sales activities and advertisement, and the disposal of KEE Hubei during the Reporting Period.

Administrative expenses, consisting primarily of salary and welfare expenses for management and administrative personnel, depreciation and amortisation, professional fees, auditors' remuneration and other administrative expenses, increased by approximately 9.2% to approximately HK$61.4 million for the six months ended 30 June 2026 from approximately HK$56.2 million for the same period in 2025. 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.

PROFITABILITY

The Group recorded profit attributable to equity shareholders of the Company of approximately HK$28.6 million for the six months ended 30 June 2026, as compared with a profit attributable to equity shareholders of the Company of approximately HK$26.4 million for the six months ended 30 June 2025. The profit margin attributable to equity shareholders of the Company was approximately 15.6% for the six months ended 30 June 2026 (2025: 13.6%).

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 Corporation Limited ("**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.

On 15 January 2026, Classic Winner, as lessor and KEE Zippers, as lessee entered into a lease renewal agreement (the "**Fifth 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$46,900 from 16 January 2026 to 15 January 2028 and a 5% increase in monthly rental of HK$49,245 from 16 January 2028 to 15 January 2029 (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 three years commencing from 16 January 2026 to 15 January 2029.

An independent property valuer advised that the monthly rental of HK$46,900 is fair and reasonable with reference to the market value.

(ii) On 31 December 2024, 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 2025**") to renew the lease of a plant in Guangdong for a further term of six years commencing from 1 January 2025 to 31 December 2030 for a monthly rental of RMB494,510 payable within the first 10 working days of each month commencing from 1 January 2025. The monthly rent increase 5% to RMB519,235 from 1 January 2027 to 31 December 2028 and increase another 5% to RMB545,197 from 1 January 2029 to 31 December 2030.

An independent property valuer advised that the monthly rental of RMB494,510 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, 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. The monthly rent increase 6% to RMB1,027,919 from 1 September 2025 to 31 August 2027 and increase another 6% to RMB1,089,594 from 1 September 2027 to 31 August 2029. 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 31 August 2023, 15 January 2024, and 31 December 2024.

Connected Transactions in Relation to the Disposal of KEE Hubei and Continuing Connected Transaction with KEE Hubei following the Completion of the Disposal

(i) 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 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) (the "**Disposal**").

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 on 30 March 2026. As at 14 April 2026, the conditions precedent for completion of the Disposal were all met and the Disposal was completed, and KEE Hubei ceased to be accounted for as a subsidiary of the Company.

(ii) On 19 December 2025, 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. As at 14 April 2026, following the completion of the Disposal, the Procurement Framework Agreement came into effect with a term of three years. The annual maximum purchase amount of zipper products by KEE Guangdong from KEE Hubei shall not exceed: First year: RMB60,825,000, Second year: RMB61,866,000, Third year: RMB67,060,000.

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.

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 PRC 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%.

LIQUIDITY AND CAPITAL RESOURCES

The Group's funding policy aims at ensuring sufficient capital to meet the working capital requirements, increase capital efficiency and capital gains. The Group will apply the appropriate debt instrument in financing to achieve those objectives.

The Group's net cash inflow from operating activities for the six months ended 30 June 2026 amounted to approximately HK$47.4 million (six months ended 30 June 2025: inflow of HK$1.0 million). Such increase was mainly attributable to an increase in trade creditors as at 30 June 2026. The Group's net cash inflow from investing activities for the six months ended 30 June 2026 amounted to approximately HK$27.6 million (six months ended 30 June 2025: outflow of HK$17.6 million). The net cash inflow was mainly attributable to the receive on proceeds from disposal of a subsidiary. The Group's net cash inflow from financing activities for the six months ended 30 June 2026 amounted to approximately HK$10.4 million (net cash outflow for the six months ended 30 June 2025: HK$5.4 million). The net cash inflow was mainly attributable to the receive on proceeds from bank borrowings.

As at 30 June 2026, cash and cash equivalents amounted to approximately HK$170.6 million, representing an increase of approximately HK$78.3 million as compared with the position as at 31 December 2025.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debts (which includes interest-bearing loans and borrowings), less cash and cash equivalents. Adjusted capital comprises all components of equity.

GEARING RATIO

The Group's gearing ratio was 47.3% (31 December 2025: 46.3%) which is calculated using bank borrowings divided by total equity and multiplied by 100%.

BANK BORROWINGS

The Group had bank borrowings of approximately HK$121.3 million as at 30 June 2026 (31 December 2025: approximately HK$100.3 million). Included in the balance amounting to HK$21,943,000 (31 December 2025: HK$nil) is unsecured and carries fixed interest from 2.45% to 2.50%. The remaining balance 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. All the borrowings were denominated in RMB.

NET CURRENT ASSETS

As at 30 June 2026, the Group had current assets of approximately HK$283.7 million. The key components of current assets as at 30 June 2026 included inventories of approximately HK$11.0 million, trade and other receivables of approximately HK$75.3 million and cash and cash equivalents of approximately HK$170.6 million. The key components of current liabilities included trade and other payables of approximately HK$131.5 million, bank borrowing of approximately HK$31.2 million and current portion of lease liabilities of approximately HK$8.8 million.

The net current assets increased by approximately HK$52.4 million to HK$66.4 million as at 30 June 2026 from approximately HK$13.9 million as at 31 December 2025.

PLEDGED ASSETS

As at 30 June 2026, the Group did not have any pledged assets.

CONTINGENT LIABILITIES

At the end of the reporting period, there were two 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 amounting to RMB1,000,000, reasonable expenses of RMB200,000, 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 totalling RMB1,000,000, and reimbursement of all litigation costs (collectively, the "**Relevant Lawsuits**").

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 30 June 2026, 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. 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.

In July 2026, the Supreme People's Court of the People's Republic of China (中華人民共和國最高人民法院) handed down its final judgment in respect of the appeal lodged by two subsidiaries of the Group in the action referred to in item (i) of the Relevant Lawsuits (the "**Final Judgment**"). Pursuant to the Final Judgment, the appeal lodged by two subsidiaries of the Group was dismissed and the judgment of the Guangzhou Intellectual Property Court (廣州知識產權法院) was upheld.

Under the Final Judgment, the two subsidiaries are required to (i) cease manufacturing, selling and offering for sale products which infringe the relevant invention patent; and (ii) jointly and severally pay to the plaintiff compensation for economic losses of RMB500,000 and reasonable expenses of RMB100,000, totalling RMB600,000. The Final Judgment is final and is not subject to further appeal.

The Directors consider that the Final Judgment and the payment of the compensation thereunder will not have any material adverse impact on the financial position or results of the Group.

For details, please refer to the announcements of the Company dated 29 November 2024 and 24 July 2026.

FOREIGN CURRENCY RISK

Individual companies within the Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. The Group did not hedge its exposure to risks arising from fluctuations in exchange rates during the six months ended 30 June 2026.

EMPLOYEES

As at 30 June 2026, the Group had 376 full-time employees (30 June 2025: 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 six months ended 30 June 2026 were approximately HK$53.1 million (the six months ended 30 June 2025: approximately HK$61.8 million). The decrease in staff costs is mainly due to the decrease in number of staff and share-based compensation.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026.

EVENTS AFTER REPORTING PERIOD

Save as those disclosed in this announcement, there has been no significant event that affected the Group after 30 June 2026 and up to the date of this announcement. Details of the development of certain litigation cases concerning the Group are set out in the paragraphs headed "Contingent Liabilities" in this announcement.

SHARE OPTION SCHEME

The Company adopted a New Share Option Scheme (the "**Scheme**"), which was approved in the Company's annual general meeting on 30 May 2023 with the view to providing incentives or rewards to the eligible participants for their contribution or potential contribution to the Group.

According to the Scheme, the Board may at its discretion grant share options to employee participants, and for the purposes of the Scheme, the offer may be made to a vehicle (such as a trust or a private company) or similar arrangement for the benefit of a specified eligible participant subject to the fulfilment of requirements of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable).

In general, the maximum number of shares in respect of which options may be granted under the Scheme and under any other share option scheme or share award scheme of the Company must not in aggregate exceed 10% of the total number of shares in issue as at the adoption date, i.e. 55,776,480 share options.

The maximum total number of Shares which may be issued upon exercise of all share options to be granted under the Scheme has been reached as of 29 November 2023. No share options granted were subsequently cancelled for the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Company is committed to maintaining and upholding guidelines and procedures for stringent corporate governance. In respect of the six months ended 30 June 2026, all the provisions set out in the CG Code were met by the Company except for the following:

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 12 June 2026 due to personal reasons.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors.

The Company made specific enquiries to all Directors and all Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding any Directors' securities transactions throughout the period from 1 January 2026 to 30 June 2026.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees who, because of office or employment, are likely to be in possession of inside information in relation to the Company's securities have been requested to follow such code when dealing in the securities of the Company.

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 for the six months ended 30 June 2026.

AUDIT COMMITTEE

The unaudited interim results of the Group for the six months ended 30 June 2026 have been reviewed by the audit committee of the Board.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim 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 interim report for the six months ended 30 June 2026 will be made available to Shareholders and on the same websites in due course.

DEFINITIONS

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

"Board"	means	the board of Directors
"CG Code"	means	code on corporate governance practices as set out in Appendix C1 to the Listing Rules
"Company"	means	Gilston Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 6 July 2010 and the Shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	means	the director(s) of the Company
"Group"	means	the Company and its subsidiaries
"HK$" and "HK cents"	means	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	means	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	means	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	means	the stock market operated by the Stock Exchange, which excludes the GEM and the options market
"Model Code"	means	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"OEM"	means	original equipment manufacturer or manufacturing
"PRC" or "China" or "Mainland China"	means	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"	means	Renminbi, the lawful currency of the PRC
"SFO"	means	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

"Share(s)"	means	share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	means	holder(s) of issued Share(s)
"Stock Exchange"	means	The Stock Exchange of Hong Kong Limited

* *The English translation or transliteration of the Chinese name(s), 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, 31 August 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. Ko Kwok Shu and Dr. Leung Wai Cheung.