



GILSTON GROUP LIMITED
進騰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

2026 INTERIM REPORT

Contents

2	Corporate Information
4	Financial Highlights
5	Management Discussion and Analysis
20	Disclosure of Interests
24	Corporate Governance and Other Information
25	Condensed Consolidated Statement of Profit or Loss
26	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
27	Condensed Consolidated Statement of Financial Position
29	Condensed Consolidated Statement of Changes in Equity
31	Condensed Consolidated Statement of Cash Flows
32	Notes to the Unaudited Interim Financial Report
55	Glossary

Corporate Information

DIRECTORS

Executive Directors

Mr. Yip Siu Lun Dave (*Chairman*)
Mr. Wu Cody Zhuo-xuan
Mr. Mak Yung Pan Andrew
Ms. Cheung Ka Yuen

Non-executive Director

Ms. Lin Ping

Independent Non-executive Directors

Mr. Leung Ka Tin
Dr. Leung Wai Cheung
(*appointed on 25 June 2026*)
Mr. Ko Kwok Shu
Mr. Cheng Hong Kei
(*retired on 12 June 2026*)

AUDIT COMMITTEE

Dr. Leung Wai Cheung
(*appointed on 25 June 2026*)
(*Committee Chairman*)
Mr. Leung Ka Tin
Mr. Ko Kwok Shu
Mr. Cheng Hong Kei
(*retired on 12 June 2026*)

NOMINATION COMMITTEE

Mr. Yip Siu Lun Dave
(*Committee Chairman*)
Mr. Leung Ka Tin
Dr. Leung Wai Cheung
(*appointed on 25 June 2026*)
Mr. Ko Kwok Shu
Ms. Cheung Ka Yuen
Mr. Cheng Hong Kei
(*retired on 12 June 2026*)

REMUNERATION COMMITTEE

Dr. Leung Wai Cheung
(*appointed on 25 June 2026*)
(*Committee Chairman*)
Mr. Leung Ka Tin
Mr. Ko Kwok Shu
Mr. Cheng Hong Kei
(*retired on 12 June 2026*)

COMPANY SECRETARY

Mr. Chan Kam Fuk
(*resigned on 1 December 2025 and*
appointed on 23 January 2026)
Ms. Yu Sin Ting
(*appointed on 1 December 2025 and*
resigned on 23 January 2026)

REGISTERED OFFICE

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 10A and 10B, 15/F
Nine Queen's Road Central
Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Corporate Information

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

ZSZH (HK) Fuson CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

The Bank of East Asia Limited
The Hong Kong and Shanghai Banking
Corporation Limited
Industrial and Commercial Bank of China
Agricultural Bank of China
China Construction Bank
Bank of Guangzhou

COMPANY WEBSITE

[https://www.irasia.com/listco/hk/
gilstongroup/index.htm](https://www.irasia.com/listco/hk/gilstongroup/index.htm)

Financial Highlights

Six months ended 30 June			
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)	change + / (-)
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 HK\$'000 (unaudited)	As at 31 December 2025 HK\$'000 (audited)	change + / (-)
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%

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 2026, 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 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 primarily affected by the development on the trading environment during the Reporting Period.

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

	Six months ended 30 June			
	2026		2025	
	HK\$'000 (unaudited)	%	HK\$'000 (unaudited)	%
Zipper business	120,462	65.7	129,011	66.3
Property investment and management business	62,762	34.3	65,604	33.7
Total revenue	183,224	100.0	194,615	100.0

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.

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.

Management Discussion and Analysis

EXPENSES AND COSTS

Distribution costs, comprising mainly staff costs, transportation costs and advertising and promotion expenses, decreased by approximately 30.6% 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 9.3% 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 net cash inflow on 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 (six months ended 30 June 2025: outflow of 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.

Management Discussion and Analysis

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: \$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.

Management Discussion and Analysis

NET CURRENT ASSETS

As at 30 June 2026, the Group had net current assets of approximately HK\$66.4 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, 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\$52.5 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 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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

Management Discussion and Analysis

SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 30 May 2023, an ordinary resolution was passed to adopt a share option scheme (the “**Share Option Scheme**”).

The purpose of the Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contributions or potential contribution to the Group. The eligibility of any of the eligible participants shall be determined by the Board from time to time on the basis of the Board’s opinion as to the eligible participant’s contribution to the development and growth of the Group.

When the Share Option Scheme was approved by the shareholders of the Company on 30 May 2023, it was also approved that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the Shares in issue as at the date of the extraordinary general meeting, i.e. 55,776,480 Shares (the “**Scheme Mandate Limit**”). The Company may renew the Scheme Mandate Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders’ approval. Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being. For further details in relation to grants of options to the Directors, chief executive or substantial Shareholders of the Company or their respective associates, please refer to the announcement of the Company dated 9 May 2023.

The exercise price for the Shares under the Share Option Scheme will be a price determined by the Board, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

The vesting period for options shall not be less than 12 months.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be accepted by a participant within 30 days from the date of the offer for the grant of the option.

Management Discussion and Analysis

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years from the date of the grant (subject to acceptance) of the option.

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted. The remaining life of Share Option Scheme is 6 years and 11 months as at 30 June 2026. For further details, please refer to the announcements of the Company dated 9 May 2023 and 30 May 2023.

As at the date of this report, the total number of the Shares available for issuance upon exercise of all share options granted according to the Share Option Scheme was 55,776,480 Shares (accounting for 9.7% of the issued share capital of the Company as at the date of this report).

As disclosed in the announcement of the Company dated 27 September 2023, amongst others, 5,577,648 share options were granted to Ms. Cheung Ka Yuen, an executive Director. As further disclosed in the announcement of the Company dated 29 November 2023, resolutions have been passed at the extraordinary general meeting on 29 November 2023 to grant 33,465,888 share options to Mr. Yip Siu Lun Dave (an executive Director and Chairman of the Board) and 16,732,944 share options to Mr. Lin Sunming (chief investment officer of the Company), respectively. As such, an aggregate of 55,776,480 share options have been granted under the Share Option Scheme, representing 10% of the total number of Shares in issue as at the adoption date of the Share Option Scheme. The maximum total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme has been reached as of 29 November 2023. No share options granted were subsequently cancelled for the six months ended 30 June 2026.

In the light of the above, it is disclosed herein that (i) the number of options cancelled during the six months ended 30 June 2026 was nil; (ii) the number of options unvested and available for grant under the Share Option Scheme at the beginning of the six months ended 30 June 2026 and as at 30 June 2026 was nil; (iii) the number of options granted under the Share Option Scheme during the six months ended 30 June 2026 was nil; (iv) the number of options exercised under the Share Option Scheme during the six months ended 30 June 2026 was nil; and (v) the number of Shares that may be issued in respect of options granted under the Share Option Scheme (following the grant of options as disclosed above and as of 30 June 2026) divided by the weighted average number of Shares of the relevant class in issue for the six months ended 30 June 2026 was 0.1.

Management Discussion and Analysis

The movements of the Company's share option outstanding under the Share Option Scheme during the six months ended 30 June 2026 are as follows:

Number of options													
Date of Grant	Granted	Exercisable as at 1 January 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Exercisable as at 30 June 2026	Exercise Period	Vesting Period	Share price immediately			
										Exercise price per Share	prior to the date of grant (HK\$ per Share)	Fair value of Share Options (HK\$ per Share)	
Director													
Mr. Yip Siu Lun Dave	29 November 2023	11,155,296	11,155,296	-	-	-	-	11,155,296	From 29 November 2024 to 28 November 2028 (both dates inclusive)	29 November 2023 – 28 November 2024	1.09	0.93	0.40
Mr. Yip Siu Lun Dave	29 November 2023	11,155,296	11,155,296	-	-	-	-	11,155,296	From 29 November 2025 to 28 November 2028 (both dates inclusive)	29 November 2023 – 28 November 2025	1.09	0.93	0.44
Mr. Yip Siu Lun Dave	29 November 2023	11,155,296	-	-	-	-	-	-	From 29 November 2026 to 28 November 2028 (both dates inclusive)	29 November 2023 – 28 November 2026	1.09	0.93	0.47
Ms. Cheung Ka Yuen	27 September 2023	1,859,216	1,859,216	-	-	-	-	1,859,216	From 27 September 2024 to 26 September 2028 (both dates inclusive)	27 September 2023 – 26 September 2024	1.09	1.05	0.52
Ms. Cheung Ka Yuen	27 September 2023	1,859,216	1,859,216	-	-	-	-	1,859,216	From 27 September 2025 to 26 September 2028 (both dates inclusive)	27 September 2023 – 26 September 2025	1.09	1.05	0.56
Ms. Cheung Ka Yuen	27 September 2023	1,859,216	-	-	-	-	-	-	From 27 September 2026 to 26 September 2028 (both dates inclusive)	27 September 2023 – 26 September 2026	1.09	1.05	0.60

Management Discussion and Analysis

Number of options													
Date of Grant	Granted	Exercisable as at 1 January 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Exercisable as at 30 June 2026	Exercise Period	Vesting Period	Share price			
										Exercise price per Share	immediately		
											prior to the date of grant	Fair value of Share Options	
													(HK\$ per Share)
Senior Management													
Mr. Lin Sunning	29 November 2023	5,577,648	5,577,648	-	-	-	-	5,577,648	From 29 November 2024 to 28 November 2028 (both dates inclusive)	29 November 2023 – 29 November 2024	1.09	0.93	0.40
Mr. Lin Sunning	29 November 2023	5,577,648	5,577,648	-	-	-	-	5,577,648	From 29 November 2025 to 28 November 2028 (both dates inclusive)	29 November 2023 – 29 November 2025	1.09	0.93	0.44
Mr. Lin Sunning	29 November 2023	5,577,648	-	-	-	-	-	-	From 29 November 2026 to 28 November 2028 (both dates inclusive)	29 November 2023 – 29 November 2026	1.09	0.93	0.47

As at the date of this report, there is no outstanding shares available for issue under the Share Option Scheme.

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares and underlying shares of the Company

Name of Director	Nature of Interest	Number of Shares	Approximate Percentage of Interest
Lin Ping (note 1)	Interest in controlled corporation	26,556,126	4.62%
Mak Yung Pan Andrew (note 1)	Interest in controlled corporation	26,556,126	4.62%
Wu Cody Zhuo-xuan (note 4)	Interest in controlled corporation	139,197,663	24.23%

Name of Director	Nature of Interest	Number of Underlying Shares	Approximate Percentage of Interest
Yip Siu Lun Dave (note 2)	Beneficial owner	33,465,888	5.83%
Cheung Ka Yuen (note 3)	Beneficial owner	5,577,648	0.97%

Disclosure of Interests

Notes:

1. Golden Diamond Inc. ("**Golden Diamond**") is owned as to 60% by Ms. Lin Ping and 25% by Mr. Mak Yung Pan Andrew and holds long position in 26,556,126 shares of the Company. Accordingly, each of Ms. Lin Ping and Mr. Mak Yung Pan Andrew is deemed to be interested in the 26,556,126 shares of the Company.
2. Following the grant of share options on 27 September 2023 and the approval from shareholder in extraordinary general meeting on 29 November 2023, pursuant to the terms of the Scheme, the number of underlying Shares that Mr. Yip Siu Lun Dave is interested is 33,465,888 underlying Shares.
3. Following the grant of share options on 27 September 2023, pursuant to the terms of the Scheme, the number of underlying Shares that Ms. Cheung Ka Yuen is interested is 5,577,648 underlying Shares.
4. Following the completion of inheritance of all the issued shares of Central Eagle from the estate of Mr. Wu Jingming on 9 January 2026, Mr. Wu Cody Zhuo-xuan inherited and received all the issued Shares of Central Eagle (a substantial shareholder of the Company) and became a substantial shareholder of the Company.
5. The percentage is calculated on the basis of 574,497,800 shares of the Company in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, so far as is known to any Directors or chief executive of the Company, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, the register maintained under section 336 of the SFO shows that the Company had been notified of the following substantial Shareholders' and other persons' interests and short positions, representing 5% or more of the Company's issued share capital, were as follows:

Long Position in Shares and Underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares	Approximate Percentage of Interest
China Sun Corporation ("China Sun") (note 1)	Beneficial owner	122,551,035	21.33%
Central Eagle Limited ("Central Eagle") (note 2)	Beneficial owner	139,197,663	24.23%
Golden Diamond (note 3)	Beneficial owner	26,556,126	4.62%
Dyfed Holdings Limited ("Dyfed Holdings") (note 4)	Security interest	287,306,360	50.01%
China CITIC Financial AMC International Holdings Limited ("CITIC Financial AMC") (note 5)	Interest of controlled corporation	287,306,360	50.01%
中國中信金融資產管理股 份有限公司 (note 5)	Interest of controlled corporation	287,306,360	50.01%
Chan Ho Yin (note 6)	Joint and several receivers	149,117,161	25.95%
Li Kin Long Kenny (note 6)	Joint and several receivers	149,117,161	25.95%

Disclosure of Interests

Notes:

1. China Sun is wholly-owned by Mr. Qiu Chuanzhi.
2. Following the completion of inheritance of all the issued shares of Central Eagle from the estate of Mr. Wu Jingming on 9 January 2026, Mr. Wu Cody Zhuo-xuan inherited and received all the issued Shares of Central Eagle (a substantial shareholder of the Company) and became a substantial shareholder of the Company. For further details, please refer to the announcement of the Company dated 9 January 2026.
3. Golden Diamond is owned as to 60% by Ms. Lin Ping and 25% by Mr. Mak Yung Pan Andrew.
4. Dyfed Holdings is wholly-owned by CITIC Financial AMC.
5. CITIC Financial AMC is wholly owned by 中國中信金融資產管理股份有限公司.
6. Chan Ho Yin and Li Kin Long Kenny have been appointed Joint and Several Receivers over the Shares held by China Sun and Golden Diamond in favour of Noble Wisdom since 7 October 2021 pursuant to two sets of the Deeds of Appointment of Receivers signed by Noble Wisdom dated 7 October 2021.
7. The percentage is calculated on the basis of 574,497,800 shares of the Company in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) had registered an interest or a short position in the Shares, underlying shares or debentures of the Company which was required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which was required to be recorded in the register of the Company required to be kept under Section 336 of Part XV of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, which competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the six months ended 30 June 2026 and up to and including the date of this interim report.

CHANGES IN DIRECTORS' INFORMATION

The Directors confirm that there was no change in the information of Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the annual report of the Company for the year ended 31 December 2025.

For the biographical information of Dr. Leung Wai Cheung who was appointed as an independent non-executive Director of the Company on 25 June 2026, please refer to the announcement of the Company dated 25 June 2026.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

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 financial report of the Group for the six months ended 30 June 2026 has been reviewed by the audit committee of the Board.

By order of the Board

Yip Siu Lun Dave

Chairman and executive Director

Hong Kong, 31 August 2026

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	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 HK\$'000 (unaudited)	2025 HK\$'000 (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

The notes on pages 32 to 54 form part of this interim financial report.

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	9	34,254	31,824
Right-of-use assets		35,069	30,925
Intangible assets		379	538
Investment properties	10	16,165	–
Prepayments and rental deposit	11	235,970	254,203
Deferred tax assets		3,236	3,206
		325,073	320,696
Current assets			
Inventories		10,966	9,936
Trade and other receivables	11	75,263	54,013
Amount due from a related party		26,874	2,093
Cash and cash equivalents	12	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	13	131,498	111,245
Tax payable		38,951	45,634
Bank borrowings	14	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

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 liabilities			
Bank borrowings	14	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	15(b)	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

The notes on pages 32 to 54 form part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 – unaudited

	Attributable to equity shareholders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2025	5,745	233,300	21,671	18,324	35,347	(9,382)	(124,139)	180,866	11,727	192,593
Change in equity for the six months ended 30 June 2025:										
Profit for the period	-	-	-	-	-	-	26,372	26,372	4,510	30,882
Other comprehensive income	-	-	-	-	-	5,302	-	5,302	425	5,727
Total comprehensive income	-	-	-	-	-	5,302	26,372	31,674	4,935	36,609
Reverse of statutory reserve	-	-	-	-	(1,500)	-	1,500	-	-	-
Share-based compensation	-	-	1,286	-	-	-	-	1,286	-	1,286
Balance at 30 June 2025	5,745	233,300	22,957	18,324	33,847	(4,080)	(96,267)	213,826	16,662	230,488

The notes on pages 32 to 54 form part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 – unaudited

	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1 January 2026	5,745	233,300	24,242	18,324	33,767	(1,473)	(98,745)	215,160	1,576	216,736
Change in equity for the six months ended 30 June 2026:										
Profit for the period	-	-	-	-	-	-	28,580	28,580	5,956	34,536
Other comprehensive income										
- Reclassification of cumulative translation reserve upon disposal of subsidiaries to profit or loss	-	-	-	-	-	95	-	95	17	112
- Exchange differences arising on translation of foreign operations	-	-	-	-	-	10,691	-	10,691	457	11,148
Total comprehensive income	-	-	-	-	-	10,786	28,580	39,366	6,430	45,796
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(6,813)	(6,813)
Share-based compensation	-	-	571	-	-	-	-	571	-	571
Balance at 30 June 2026	5,745	233,300	24,813	18,324	33,767	9,313	(70,165)	255,097	1,193	256,290

The notes on pages 32 to 54 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Operating activities			
Cash generated from operations		66,516	8,517
Tax paid		(19,087)	(7,484)
Net cash generated from operating activities		47,429	1,033
Investing activities			
Payment for the purchase of property, plant and equipment		(10,876)	(18,010)
Proceeds from disposal of property, plant and equipment		4,893	45
Interest received		57	355
Net cash inflow on disposal of a subsidiary		33,514	–
Net cash generated from (used in) investing activities		27,588	(17,610)
Financing activities			
Capital element of lease rental paid		(4,687)	(9,086)
Interest element of lease rental paid		(1,614)	(2,213)
Dividend paid to non-controlling interests of a subsidiary		(6,813)	–
Proceeds from bank borrowings		33,019	21,544
Repayment of bank borrowings		(4,560)	(13,465)
Interest paid		(1,967)	(2,128)
Repayment to a director		(3,000)	–
Net cash generated from (used in) financing activities		10,378	(5,348)
Net increase (decrease) in cash and cash equivalents		85,395	(21,925)
Cash and cash equivalents at 1 January		92,316	141,480
Effect of foreign exchange rate changes		(7,068)	1,030
Cash and cash equivalents at 30 June	12	170,643	120,585

The notes on pages 32 to 54 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

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 addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” to the interim 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 and leasing and subleasing of Jiajinlong Car City business.

These consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company.

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 Hong Kong Financial Reporting 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.

Notes to the Unaudited Interim Financial Report

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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.

Notes to the Unaudited Interim Financial Report

4 SEGMENT REPORTING (CONTINUED)

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 HK\$'000	Property Investment and Provision of Property Management services HK\$'000	Total 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
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

Notes to the Unaudited Interim Financial Report

4 SEGMENT REPORTING (CONTINUED)

a. Business segments (Continued)

	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

Notes to the Unaudited Interim Financial Report

4 SEGMENT REPORTING (CONTINUED)

b. Reconciliations of reportable segment revenue, profit or loss

	Six months ended 30 June	
	2026 HK\$'000	2025 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)	(2,214)
Loan interest expenses	–	(2,128)
Share-based payments	(571)	(1,286)
Unallocated head office and corporate expenses (note)	(13,562)	(9,780)
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.

Notes to the Unaudited Interim Financial Report

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)
<i>Revenue from contracts with customers</i>		
<i>At a point in time:</i>		
Sales of finished zippers and sliders	117,163	125,199
Sales of other	3,299	3,812
	120,462	129,011
<i>Overtime:</i>		
Property management fee income	8,945	6,244
	129,407	135,255
<i>Revenue from other sources</i>		
Rental income	53,817	59,360
	183,224	194,615

Notes to the Unaudited Interim Financial Report

6 PROFIT BEFORE TAX

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

a. Staff costs

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (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 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Interest income	57	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	(452)	1,241
	(375)	3,232

Notes to the Unaudited Interim Financial Report

6 PROFIT BEFORE TAXATION (CONTINUED)

c. Other items

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (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

Notes to the Unaudited Interim Financial Report

7 INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (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).

Notes to the Unaudited Interim Financial Report

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:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (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
	Six months ended 30 June	
	2026 (unaudited)	2025 (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

Notes to the Unaudited Interim Financial Report

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and machinery (including payments for construction in progress) with a cost of approximately HK\$12,032,000 (six months ended 30 June 2025: approximately HK\$19,999,000).

10 INVESTMENT PROPERTIES

The investment properties represent right-of-use assets held by the Group for the purpose of earning rental income through future subleasing to third-party tenants under operating leases.

During the six months ended 30 June 2026, the Group recognised additions to investment properties of approximately HK\$16,182,000 (six months ended 30 June 2025: Nil).

Notes to the Unaudited Interim Financial Report

11 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

The Group recognised impairment loss based on the same accounting policies adopted in the 2025 annual financial statements.

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)”).

Notes to the Unaudited Interim Financial Report

11 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

12 CASH AND CASH EQUIVALENTS

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Cash at bank and in hand	170,643	92,316
Cash and cash equivalents in the condensed consolidated statement of cash flows	170,643	92,316

Notes to the Unaudited Interim Financial Report

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

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

Notes to the Unaudited Interim Financial Report

14 BANK BORROWINGS

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Bank borrowings	121,264	100,296
The carrying amounts of the borrowings are repayable:		
Within one year	31,182	8,915
Within a period of more than one year but not exceeding two years	9,239	8,915
Within a period of more than two years but not exceeding five years	33,492	32,318
Within a period of more than five years	47,351	50,148
	121,264	100,296
Less: Amount due within one year shown under current liabilities	(31,182)	(8,915)
Amount due after one year shown under non-current liabilities	90,082	91,381

The bank borrowings are classified as financial liabilities at amortised cost. Included in the balance amounting to HK\$21,943,000 (31 December 2025: 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 and carries variable interest rate at Loan Prime rate plus 5%. All are denominated in RMB.

Notes to the Unaudited Interim Financial Report

15 CAPITAL, RESERVES AND DIVIDENDS

a. Dividends

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

b. Share capital

Authorised and issued share capital

	At 30 June 2026		At 31 December 2025	
	Number of shares '000 (unaudited)	Share capital HK\$'000 (unaudited)	Number of shares '000 (audited)	Share capital HK\$'000 (audited)
Authorised: Ordinary shares of HK\$0.01 each	2,000,000	20,000	2,000,000	20,000
Ordinary shares, issued and fully paid:	574,498	5,745	574,498	5,745

16 COMMITMENTS

Capital commitments outstanding at 30 June 2026 and 31 December 2025 not provided were as follows:

	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statement	18,937	20,988

Notes to the Unaudited Interim Financial Report

17 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed in other parts of these condensed consolidated interim financial statements, the Group entered into the following material related party transactions:

a. Transactions

Saved as disclosed elsewhere in these consolidated financial statements, the Group had the following significant transactions with related parties:

Relationships	Nature of transactions	Six months ended 30 June	
		2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Companies controlled by non-controlling interest ("NCI")	Lease interest	2,876	2,123
	Gain on disposal of a subsidiary	18,163	–
	Sales	530	–
	Purchase	2,197	–
Company controlled by the immediate family member of director of the Company	Lease interest	–	9

b. Balances

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following significant balances with related parties:

Relationships	Nature of transactions	At 30 June 2026 HK\$'000 (unaudited)	At 31 December 2025 HK\$'000 (audited)
Companies controlled by NCI	Rental deposit	–	3,437
	Lease liabilities	30,368	30,009
	Liabilities directly associated with assets classified as held for sale – lease liabilities	–	45,071

Notes to the Unaudited Interim Financial Report

17 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

c. Key management personnel compensation

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors, is as follows:

	Six months ended 30 June	
	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Short-term employee benefits	9,095	9,527
Retirement scheme contribution	57	60
Share-based compensation	541	1,286
	9,693	10,873

Total remuneration is included in "staff costs" (note 6(a)).

18 EVENTS AFTER THE END OF THE REPORTING PERIOD

There has been no significant event that affected the Group after 30 June 2026 and up to the date of this report. Details of the development of certain litigation cases concerning the Group are set out in the paragraphs headed "Contingent Liabilities" in this report.

19 EQUITY SETTLED SHARE-BASED TRANSACTIONS

Pursuant to the shareholders' resolutions passed on 30 May 2023, the Company adopted a new share option scheme ("**Scheme**"). The purposes of the Scheme is to reward the participants who have contributed or will contribute to the Group and to encourage the participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The grant of share options is to provide incentives, rewards, remunerations and/or benefits (i) in retaining the grantees for continuous operation and development of the Group; and (ii) for his persistent devotions and leadership by further aligning the interests of the Group with his, thereby enhancing the value for the shareholders in the long term.

Notes to the Unaudited Interim Financial Report

19 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

The Scheme shall be valid and effective for a period of ten years commencing on the adoption date of 30 May 2023, after which period, no further share options shall be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other respects. Share options granted during the life of the Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period.

On 27 September 2023, an aggregate of 55,776,480 share options were granted pursuant to the Scheme, of which, 33,465,888 share options were conditionally granted to Mr. Yip, 5,577,648 share options were granted to Ms. Cheung and 16,732,944 share options were conditionally granted to Mr. Lin. Each share option shall entitle the grantees to subscribe for one share of the Company. There will be no more shares available for future grant under the current scheme mandate of the Scheme. The conditional grant was subsequently approved by the shareholders of the Company on 29 November 2023. Details of the share options granted are as follows:

	Exercise period	Exercise price per share	Number of options granted
Executive director			
Mr. Yip Siu Lun Dave ("Mr. Yip")	5 years from 29 November 2023 to 28 November 2028 (both dates inclusive)	HK\$1.09	33,465,888
Ms. Cheung Ka Yuen ("Ms. Cheung")	5 years from 27 September 2023 to 26 September 2028 (both dates inclusive)	HK\$1.09	5,577,648
Senior management			
Mr. Lin Sunming ("Mr. Lin")	5 years from 29 November 2023 to 28 November 2028 (both dates inclusive)	HK\$1.09	16,732,944
Total			55,776,480

Vesting period and exercise period of share options:

Subject to the fulfillment of the performance target as set out below, the share options shall be vested and exercised during the following periods:

Notes to the Unaudited Interim Financial Report

19 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Number of share options (Collectively "Options I")		Vesting and exercise period
Name of grantee		
Mr. Yip	11,155,296	Options I will be vested and exercisable from the expiry of 12 months of the date of grant up to the end of the validity period of 26 September 2028 (for Ms. Cheung) or 28 November 2028 (for Mr. Yip and Mr. Lin).
Mr. Lin	5,577,648	
Ms. Cheung	1,859,216	
		If the Performance Target 2023 (as defined below) is not met on or before 30 April 2024, Options I (together with Options II (as defined below)) will be vested and exercisable after 30 April 2025 on the condition that the Performance Target 2024 (as defined below) is met.

	Number of share options (Collectively "Options II")	
Name of grantee		Vesting and exercise period
Mr. Yip	11,155,296	Options II will be vested and exercisable from the expiry of 24 months of the date of grant up to the end of the validity period of 26 September 2028 (for Ms. Cheung) or 28 November 2028 (for Mr. Yip and Mr. Lin).
Mr. Lin	5,577,648	
Ms. Cheung	1,859,216	
		If the Performance Target 2024 is not met on or before 30 April 2025, Options II (together with Options I, if not vested) will be vested and exercisable after 30 April 2026 on the condition that the Performance Target 2025 (as defined below) is met.

Notes to the Unaudited Interim Financial Report

19 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Name of grantee	Number of share options (Collectively "Options III")	Vesting and exercise period
Mr. Yip	11,155,296	Options III will be vested and exercisable from the expiry of 36 months of the date of grant up to the end of the validity period of 26 September 2028 (for Ms. Cheung) or 28 November 2028 (for Mr. Yip and Mr. Lin).
Mr. Lin	5,577,648	
Ms. Cheung	1,859,216	
If the Performance Target 2025 (as defined below) is met on or before 30 April 2026, Options III (together with Options I and Options II, if not vested) will be vested and exercisable after 30 April 2026. However, if the 2025 Performance Target is not met on or before 30 April 2026, Options III (together with the Options I and Options II, if not vested) will automatically lapse.		

Performance target:

The vesting and exercise of the share options shall be subject to the following performance target:

Performance period	Performance target
For the financial year ending 31 December 2023	Net Profit shall not be lower than HK\$15,000,000* (" Performance Target 2023 ")
For the financial year ending 31 December 2024	Net Profit shall not be lower than HK\$22,500,000* (" Performance Target 2024 ")
For the financial year ending 31 December 2025	Net Profit shall not be lower than HK\$30,000,000* (" Performance Target 2025 ")

* Before recognition of share-based payments

Notes to the Unaudited Interim Financial Report

19 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Clawback Mechanism

Save for the early termination events as set out in the Scheme, which are applicable to all the grantees, the share options shall lapse if a grantee ceases to be an employee of the Company by reason of (i) termination of the grantee's employment or contractual engagement with the Group by reason of his/her permanent physical or mental disablement, or (ii) termination of the grantee's employment or contractual engagement with the Group by reason of redundancy, any outstanding share options (to the extent not already exercised) shall immediately lapse, unless the Board of directors of the Company determines otherwise at their absolute discretion.

The exercise price of options outstanding at 30 June 2026 is HK\$1.09 (31 December 2025: HK\$1.09) and their weighted average remaining contractual life was 2.4 years (31 December 2025: 2.9 years).

Of the total number of options outstanding of 55,776,480 (31 December 2025: 55,776,480) at 30 June 2026, 37,184,320 (31 December 2025: 37,184,320) of the options had vested and were exercisable.

The fair value of the share options at their respective dates of grant amounted to HK\$25,099,000. The weighted average fair value of each option granted during the year was approximately HK\$0.45.

The following information is relevant in the determination of the fair value of options granted during the year ended 31 December 2023 under the Scheme operated by the Group.

Equity-settled

Option pricing model used	Binomial lattice
Weighted average share price at grant date	HK\$0.94
Exercise price, subject to adjustment	HK\$1.09
Expected volatility	65%
Expected dividend growth rate	0%
Risk-free interest rate	4%

The Group did not enter into any share-based payment transactions with parties other than the employees aforementioned during the current or previous year.

The share-based payments of HK\$571,000 (30 June 2025: HK\$1,286,000) recognised during the year ended 30 June 2026 were included in key management personnel compensation.

20 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 RMB1,200,000, 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.

Glossary

In this interim report, 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 report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	means	Renminbi, the lawful currency of the PRC

Glossary

“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).*