THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Gilston Group Limited 進騰集團有限公司, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

GILSTON GROUP LIMITED
進騰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

(1) MAJOR TRANSACTION AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL DISPOSAL OF A SUBSIDIARY; AND (2) NOTICE OF EGM

Capitalised terms used in the lower portion of this cover page and inside cover of this circular shall have the same respective meanings as those defined in the section headed "DEFINITIONS" of this circular.

A letter from the Board is set out on pages 4 to 28 of this circular. A notice convening the EGM of the Company to be held at 11:00 a.m. on Monday, 30 March 2026 at The Boardroom, Lobby Level, The Langham Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use in connection with the EGM is enclosed with this circular. Such form of proxy is also published on the respective websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (https://www.irasia.com/listco/hk/gilstongroup/index.htm). If you are not able or do not intend to attend the EGM in person and wish to exercise your right as a Shareholder, you are advised to complete and sign the form of proxy attached in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event, not less than 48 hours before the time appointed for the holding of the EGM or its adjournment (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof, should you so wish. If you attend and vote at the EGM, the instrument appointing your proxy will be deemed to have been revoked.

12 March 2026

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the Board of Directors
"Company"	Gilston Group Limited (進騰集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2011)
"Completion"	completion of the Disposal in accordance with the terms and conditions of Equity Transfer Agreement, i.e. the completion of equity change registration at the Administration for Market Regulation in respect of the Disposal
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration of the Disposal in accordance with the terms and conditions of Equity Transfer Agreement, i.e. RMB40,000,000 (equivalent to approximately HK$44,000,000)
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the entire equity interests in KEE Hubei by KEE Guangdong to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement
"EBIT"	earnings before interest and taxes
"EGM"	the extraordinary general meeting of the Company to be convened and held at 11:00 a.m. on Monday, 30 March 2026 for the purpose of considering, and if thought fit, approving, the Disposal and the transactions contemplated thereunder
"Equity Transfer Agreement"	the equity transfer agreement dated 19 December 2025 entered into between KEE Guangdong, the Purchaser and KEE Hubei in relation to the Disposal
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any person(s) or company(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons
"IVS"	International Valuation Standards
"KEE Guangdong" or the "Vendor"	開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited*), a limited liability company established in the PRC and an indirect 85%-owned subsidiary of the Company
"KEE Hubei" or the "Target Company"	開易(湖北)拉鏈製造有限公司 (KEE (Hubei) Zippers Manufacturing Company Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of KEE Guangdong as at the Latest Practicable Date
"Latest Practicable Date"	9 March 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 June 2026 (or any later date agreed in writing by the Purchaser and the Vendor)
"Mr. Xu"	Mr. Xu Xipeng, a director of each of certain subsidiaries of the Company, and a connected person of the Company at subsidiary level
"NAV"	net asset value
"Pearl River Delta Region"	the economic zone in Guangdong Province comprising Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing of the PRC
"PRC"	the People's Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Procurement Framework Agreement"	the procurement framework agreement dated 19 December 2025 entered into between KEE Guangdong and KEE Hubei in relation to the procurement of Zippers Products
"Purchaser"	益創(湖北)拉鍊有限公司 (Yichuang (Hubei) Zippers Manufacturing Company Limited*) is a limited liability company established under the laws of the PRC and indirectly wholly-owned by Mr. Xu, and is principally engaged in investment holdings
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars
"Valuation Benchmark Date"	30 September 2025
"Valuation Report"	the valuation report prepared by the Valuer in relation to the valuation of 100% equity interest in KEE Hubei as at the Valuation Benchmark Date
"Valuer"	Graval Consulting Limited, an independent firm providing valuation and consulting services
"Yangtze River Delta Region"	the economic zone in the PRC comprising Shanghai, Anhui Province, Jiangsu Province and Zhejiang Province
"Zippers Products"	zipper products, including but not limited to sliders and other zipper accessories, manufactured by the Target Company
"%"	per cent.

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

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

GILSTON GROUP LIMITED
進騰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

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

Non-executive Director:
Ms. Lin Ping

Independent non-executive Directors:
Mr. Leung Ka Tin
Mr. Cheng Hong Kei
Mr. Ko Kwok Shu

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

12 March 2026

To the Shareholders

Dear Sir or Madam,

(1) MAJOR TRANSACTION AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL DISPOSAL OF A SUBSIDIARY; AND (2) NOTICE OF EGM

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolution to be proposed at the EGM to be held on 30 March 2026.

Reference is made to the announcement of the Company dated 19 December 2025 in relation to, among other things, the Equity Transfer Agreement entered into between the Vendor, the Purchaser, and the Target Company on 19 December 2025 (after trading hours). Pursuant to the Equity Transfer Agreement, the Vendor agreed to sell, and the Purchaser agreed to acquire, the entire equity interests in the Target Company at the Consideration of RMB40,000,000 (equivalent to approximately HK$44,000,000).

THE EQUITY TRANSFER AGREEMENT

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

Date 19 December 2025

Parties (i) the Vendor

(ii) the Purchaser

(iii) the Target Company

Assets to be disposed of

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

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

Consideration

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

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

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

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account, among other things, (i) the appraised value of 100% equity interest in the Target Company as at the Benchmark Valuation Date based on the Valuation Report using the market approach; (ii) the Target Company's financial position, results of operation and prospects; (iii) the prevailing market conditions and economic landscape; and (iv) other factors as set out in the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL AND INTENDED USE OF PROCEEDS" in the "Letter from the Board" of this circular.

Despite a rebound in China's apparel market due to national policies for instance, the Implementation Plan for Quality Improvement and Upgrading of Textile Industry (紡織工業提質升級實施方案) promulgated by, amongst others, the Ministry of Industry and Information Technology and the National Development and Reform commission in December 2023 which aimed to promote the steady growth and high-quality development of the textile industry through upgrading the industry supply chain for consolidating the leader position in the world's textile industry, the operating environment remains tough. Challenges in China's apparel market include sluggish consumer sentiment, intense competition and a global economic slowdown. Majority of the Group's revenue in zipper business was generated by garment manufacturing customers in China, and some of them serve international apparel labels, making them vulnerable to trade frictions and tariffs. These trade barriers reduce the competitiveness of Chinese factories in low-margin industries like zippers manufacturer. Geopolitical tensions also encourage customers to source from other Asian countries instead of China. Financial reports of the Group showed the zipper business made losses of approximately HK$6.9 million in 2023 and approximately HK$3.0 million in 2024. Against this backdrop, the Group has taken a cautious approach towards the development in zipper business.

The Target Company recorded losses after taxation of approximately RMB3.0 million and profits after taxation of approximately RMB7.6 million for the year ended 31 December 2023 and 2024 respectively. The recent increase in profitability of the Target Company presented an opportunity for the Disposal in line with the Group's development strategy. The trailing EV/EBIT ratio was adopted in the valuation and the appraised value of 100% equity interest in the Target Company amounted to RMB39,000,000 as at the Benchmark Valuation Date under the market approach. After arm's length negotiations between the Vendor and the Purchaser after taking into account mainly the appraised value of the Target Company, the Consideration was determined at RMB40,000,000.

Having considered the Consideration was primarily based on the valuation of the Target Company carried out by an independent valuer and such Consideration represents a significant premium of approximately 105% over the Target Company's NAV, the Board is of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

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

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

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

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

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

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

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

As at the Latest Practicable Date, none of the conditions above have been satisfied. In respect of condition precedent (iv), the Vendor is minded to waive the payment of consideration in full as a condition precedent and the consideration shall be payable within 15 days upon satisfaction or waiver (where applicable) of the other conditions as set out above.

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

The Company anticipates that the Conditions Precedent can be fulfilled on or before the Long Stop Date, i.e. 30 June 2026. The Company will only agree to extend such date if any of the Conditions Precedent cannot be fulfilled on or before 30 June 2026.

Completion

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

Non-Competition Undertaking

The Group has been established and operating in the Pearl River Delta and Yangtze River Delta (divided into three regions of south region of the Yangtze River, Yangtze River Delta Region and north region of the Yangtze River), maintaining stable and long-standing business relationships with quality customers in such regions. Prior to and as at the date of the Equity Transfer Agreement, the Vendor has been providing a substantial portion of its Zipper Products to clients of the Group in the Pearl River Delta Region and south region of the Yangtze River which falls outside the Yangtze River Delta Region while the Target Company has been providing substantial portion of its Zipper Products to clients of the Group in the Yangtze River Delta Region and north region of the Yangtze River.

Pursuant to the Equity Transfer Agreement, the Vendor, the Purchaser and the Target Company agreed that after Completion, the Target Company (i) may continue to provide its Zipper Products and services to its existing clients within three years prior to the date of the Equity Transfer Agreement (the "**Existing Clients**"); and (ii) may only provide its Zipper Products and services to new clients located or operated in the Yangtze River Delta Region and north region of the Yangtze River (the "**Competitive Region**") after Completion. For the avoidance of doubt, the Competitive Region does not include the Pearl River Delta Region and south region of the Yangtze River.

Pursuant to the Equity Transfer Agreement, upon Completion and without limitation in time, the Target Company undertakes not to, and the Purchaser undertakes to procure that the Target Company shall not, directly or indirectly supply any products manufactured or sold by itself or its affiliates and/or provide any service to any new clients not located or operated in the Competitive Region.

For illustration purposes, the number of the Target Company's Existing Clients located outside the Competitive Region (the "**Non-Restricted Customers**") and their respective aggregate revenues for the year ended 31 December 2023 and 2024 and for the nine months ended 30 September 2025 were: 1 customer with revenue of approximately RMB11,000; 11 customers with revenue of approximately RMB1,495,000; and 21 customers with revenue of approximately RMB3,005,000, representing approximately less than 0.01%, 0.69% and 1.65% of the Group's total zipper business revenue, respectively.

With respect to the Competitive Region, there are no restrictions in the Equity Transfer Agreement on the other members of the Group to carry on business and member of the Group may freely compete in the zipper business in the Competitive Region. For the year ended 31 December 2023 and 2024 and for the nine months ended 30 September 2025, the number of customers jointly served by the Target Company and members of the remaining Group in the Competitive Region (the "**Overlapping Customers**") and the aggregate revenue derived therefrom amounted to 12 customers and approximately RMB2,546,000; 59 customers and approximately RMB16,662,000; 56 customers and approximately RMB4,728,000, representing approximately 1.20%, 7.70% and 2.60% of the Group's total zipper business revenue, respectively.

The proportion of customer overlapped between the Target Company and the remaining businesses of the Group is minimal. Furthermore, as the core market of other members of the Group is located in the Pearl River Delta and the south region of the Yangtze River, the Overlapping Customers do not have any material adverse effect on the core market of the Group's remaining businesses.

Valuation of the Target Company (the "Valuation")

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

Qualification and independence of the Valuer

The person-in-charge of the Valuer possesses over 20 years of experience in valuation advisory services, having provided guidance to clients across a variety of sectors, including the manufacturing industry. He is a Chartered Financial Analyst (CFA) Charterholder, a chartered member of the Royal Institution of Chartered Surveyors (RICS), and a fellow member of the Association of Chartered Certified Accountants (ACCA).

Valuation method

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

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

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

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

In order to reflect the latest financial performance and capital structure of the Target Company, the trailing 12-month enterprise value to EBIT ratio ("**EV/EBIT Ratio**") of the comparable companies was adopted in the valuation. Enterprise value serves as a capital-structure-neutral measure, allowing for a more consistent comparison across companies with varying levels of debt and equity financing. In addition, as the comparable companies may operate under different tax jurisdictions, the use of EBIT provides a clearer indication of financial performance by eliminating potential distortions arising from tax effects. In particular, the trailing 12-month EV/EBIT Ratio of the comparable companies has been adopted.

Valuation calculation and analysis

Selection of comparable companies

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

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

Bloomberg Ticker	Company Name	Primary Exchange	Country/ Territory of Risk	Revenue from Zipper Products[1]	Market Capitalization[2] *(USD million)*	Company Description
8932 TT Equity	Wiselink Co., Ltd.	Taipei Exchange	Taiwan	100%	1,201	Wiselink Co., Ltd. manufactures and markets zippers and related components. The company produces nylon zippers, plastic steel zippers, metal zippers, invisible zippers, other special zippers, sliders, and zipper accessories for clothing, bags, furniture, car seats, military and outdoor products.
002003 CH Equity	Zhejiang Weixing Industrial Development Co., Ltd.	Shenzhen Stock Exchange	PRC	53%	1,671	Zhejiang Weixing Industrial Development Co., Ltd. manufactures buttons, zips, and other apparel accessories. The company also provides electroplating services.

Bloomberg Ticker	Company Name	Primary Exchange	Country/ Territory of Risk	Revenue from Zipper Products[1]	Market Capitalization[2] *(USD million)*	Company Description
002098 CH Equity	Fujian SBS Zipper Science & Technology Co., Ltd.	Shenzhen Stock Exchange	PRC	79%	438	Fujian SBS Zipper Science & Technology Co., Ltd. manufactures and markets plastic and metal zippers, as well as the accessories.
2011 HK Equity	Gilston Group Limited	Hong Kong Stock Exchange	PRC	71%	103	Gilston Group Limited produces finished zippers. The Company manufactures metal, nylon, and plastic zippers for apparels.

Note:

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

2. These figures were as at the Valuation Date.

Market multiples

The trailing 12-month EV/EBIT Ratios of the comparable companies were obtained from Bloomberg. Bloomberg calculates this metric by deriving the enterprise value and expressing it as a multiple of EBIT. The calculation uses fundamental financial data from the most recent reporting period available in its database. Specifically, it is computed as enterprise value divided by trailing 12-month EBIT.

We observed that the range of market capitalization among the selected comparable companies may be wide and there may be differences in country/territory of risk exposure. To improve the relevance and comparability of the market multiples applied, adjustments were made to the trailing 12-month EV/EBIT Ratios of the comparable companies to account for both size premium differentials and country/territory risk premium differentials. The adjusted multiples were derived using the following formula:

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

Where:

Ratio = Trailing 12-month EV/EBIT Ratio of the comparable company

α = Quotient of market capitalization over enterprise value of the comparable company θ = Difference in size premium between the Target Company and the comparable company

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

The trailing 12-month EV/EBIT Ratios were adjusted for differences in company size and country/territory of risk in the table below:

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

Note:

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

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

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

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

Control premium

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

*Discount for lack of marketability (“**DLOM**”)*

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

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

Calculation details of the valuation

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

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

Valuation assumptions

The following key assumptions have been made in arriving at the Valuation:

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

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

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

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

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

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

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

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

Having considered (i) the experiences of the Valuer and the qualifications of the signor of the Valuation Report, who is a Chartered Financial Analyst (CFA) Charterholder, a chartered member of the Royal Institution of Chartered Surveyors (RICS) and a fellow member of the Association of Chartered Certified Accountants (ACCA) who has more than 20 years of experience in the area of business valuation; and (ii) the independence of the Valuer, which, to the best of the knowledge of the Directors, is an Independent Third Party, the Company is of the view that the Valuer is qualified, experienced and competent in performing valuation and providing opinion in respect of the Valuation.

Having discussed with the Valuer the basis and rationale for the three generally accepted valuation approaches, the Company concurred with the Valuer's analysis that the market approach is one of the three common-used approaches in the valuation industry and the most appropriate method to be adopted in the Valuation as the market approach assesses the current fair market value of the valuation subject with reference to comparables on the market, with the characteristics of directly sourcing valuation data from market and convincing valuation conclusion. Having discussed with the Valuer, the Company understands the comparable companies and the Target Group had been principally engaging in similar businesses (manufacturing of zipper related products) and since the absence of similar companies in the PRC contributes to the scarcity of suitable comparable companies for the Target Group, the Valuer expanded the selection criteria regarding principal place of business from the PRC to Asia Pacific. Given there already exists a sufficient number of comparable companies for analysis, the Company agreed with the Valuer that the comparable companies provide objective benchmarks for the Valuation. In light of the above, the Company considered the selection criteria adopted in identifying the comparable companies during the Valuation are appropriate.

The EV/EBIT Ratio was adopted in the Valuation and the Company concurred with the Valuer that it is one of the most widely accepted multiples for valuing businesses and is the appropriate multiple to be adopted in the Valuation in order to reflect the latest financial performance and capital structure of the Target Company. The Company also discussed with the Valuer and reviewed the control premium and lack of marketability discount adopted in the Valuation, and considered the sources of such premium and discount reliable and appropriate.

The Company has reviewed the key assumptions adopted in the Valuation Report as set out in Appendix II to this circular and have been advised that the key assumptions adopted therein are commonly used in valuing similar companies. There are no irregularities noted by the Directors in relation to the quantitative inputs in the Valuation.

Having considered the above, the Board considers that the Valuer is qualified, experienced and competent in performing the Valuation, and the methodologies, multiples, control premium, DLOM and key assumptions adopted in the Valuation are fair and reasonable, and the Valuation formed a reliable basis in determining the Consideration. For further details of the Valuation Report, please refer to Appendix II to this circular.

FINANCIAL EFFECT OF THE DISPOSAL

The unaudited NAV of the Target Company as at 30 September 2025 was approximately RMB19,478,000 (equivalent to approximately HK$21,425,800). It is expected that upon Completion, the gain on the Disposal calculated in accordance with HKFRS would be approximately HK$20.8 million comprising the Consideration less the unaudited NAV of the Target Company as at 30 September 2025 and the expenses directly attributable to the Disposal in aggregate of approximately HK$1.8 million. Assuming Completion had taken place on 30 June 2025, based on the estimation of the Directors, (i) the assets of the Group will be decreased by approximately HK$151.9 million; (ii) the liabilities of the Group will be decreased by approximately HK$131.2 million; and (iii) the net assets of the Group will be decreased by approximately HK$20.7 million.

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

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

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

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

INFORMATION ON THE PARTIES

The Purchaser

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

KEE Guangdong

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

KEE Hubei

KEE Hubei is a limited liability company established in the PRC and the entire equity interests of KEE Hubei is held by KEE Guangdong as at the Latest Practicable Date. KEE Hubei is principally engaged in manufacturing and sales of zippers products. KEE Hubei is principally engaged in manufacturing zipper components including but not limited to sliders, zipper teeth and other zipper accessories and carried as internal supplier of KEE Guangdong. KEE Hubei operates its business primarily at its production site located at Jingmen City, Hubei Province, the PRC.

As at 30 September 2025, the major assets of KEE Hubei include rights of use assets, property, plant and equipment, inventories and account receivables, and the major liabilities of KEE Hubei are lease liabilities.

The Group and the Company

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

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

REASONS FOR AND BENEFITS OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

1. The recent development of the overall zipper market in the PRC impacted by geopolitical tension, rising labor cost and compliance cost

Although the domestic apparel market in the PRC has rebounded as a result of the market dynamics triggered by the national policies to stimulate consumption and new consumption models, the operating environment remains tough due to the lack of end-user consumption momentum brought about by factors such as sluggish consumer sentiment and intensified competition and slowdown of global economy in the market. Geopolitical tensions are reshaping China's manufacturing industry, including zippers industry. Although majority of the Group's revenue in zipper business was generated by customers in China, their customers include international apparel labels which will extend sales of apparel products to overseas markets. The rising trade frictions, tariffs and restrictions on Chinese exports indicate a severe impact on the Group's customers, which made Chinese factories less competitive in low-margin industries like zippers manufacturer. Geopolitical tensions also encourage customers to lessen its reliance on China and, instead, to source from other Asian countries. Moreover, stricter environmental regulations also increased compliance costs for zipper factories.

The adverse development in the international trade in 2025

In the first half of 2025, the United States government imposed and escalated tariffs on Chinese exports to the United States, citing issues such as fentanyl trafficking, trade imbalances and reciprocity, leading to unprecedented tariff levels to over 100%.

In particular, as an escalation of the Sino-U.S. trade war, the United States government imposed a 10% tariff on imports from China in February 2025. Such tariff was further increased to 20% in March 2025. On 2 April 2025, the United States government imposed a reciprocal tariff of 34% on imports from China. Such reciprocal tariff was subsequently raised to 84% and further revised to 125% on 8 April 2025 and 9 April 2025 respectively.

Despite the subsequent reduction of the tariffs on Chinese exports, pursuant to the research article headed "How companies are responding to Trump's tariffs" published by Reuters on 21 July 2025, companies[note 1] reported a combined financial hit of US$16.2 billion to US$17.9 billion in 2025 and projected nearly US$15 billion in impact for 2026 which created significant cost pressures on apparel brands sourcing from China and significant challenges to Chinese export business and the zipper business of the Company. Given that the United States government's trade policy was often adjusted in response to political pressures and progress of international negotiations and the tariffs on Chinese exports were still on a relatively high level in 2025, the Group faced escalating uncertainty on increased tariff arising from the change of policy from United States and other countries as well as non-tariff barriers which could inflict immediate disruptions on Chinese export business. Moreover, the Group has also faced the increased labour costs, additional compliance costs in view of the tendency of imposition of stricter environmental regulations and the pressure of upgrading its production techniques to enhance the quality of its products and produce new and innovative products. The Board considers that such development in particular the material adverse change in the trade environment places particular and relatively high pressure on the operation of the zipper business of the Group including but not limited to its future profitability and its flexibility and resiliency to respond to the complex business and political environment and the risk of sudden change of political and trade policies and the zipper business of the Group should reform with focus on core product design, development and manufacturing process in response to these sudden material adverse changes in the international trade environment. As the Target Company focuses on production of zipper components with lower technical requirements and no material differentiation from products supplied by other competitors, which are usually associated with lower profit margin, its profitability is highly susceptible to the cost factors mentioned above. The ongoing diversion of the Group's resources to the Target Company will hinder the development of its zipper business, particularly in 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 shifts in the business and international trade environment.

1 The companies are part of global indexes such as S&P 500, STOXX Europe 600, S&P/TSX Composite Index and NASDAQ Composite Index.

Therefore, in response to the unstable U.S. tariff policies announced in the first half of 2025, the Board believes that, to enhance operating resilience and conserve sufficient financial resources amid a potentially challenging business environment, the Group should improve zipper business performance by focusing on high-margin products and outsourcing part of the capital-intensive production processes.

The Directors are of the view that these goals can be achieved through the disposal of KEE Hubei. KEE Hubei primarily manufactures standard zipper products with lower technical requirements and yields lower profit margin than those high-technical-requirement/custom-made zipper products made by KEE Guangdong. Secondly, without intra-group zipper component sales to KEE Guangdong, KEE Hubei would have recorded losses.

While the sale of finished zippers and sliders improved in the second to third quarter of 2025, the Directors believed this temporary improvement was due to the strategy to appeal to manufacturers to catch the chance to purchase those zipper products in advance when the tariff imposed by the United States of America was relieved. These strategic purchases may appeal to manufacturers as it lessens the effect due to the rising of the tariff anytime. Although the trading results of the zipper business improved in 2025, the results of the zipper business of the Company in 2023 and 2024 underscored the vulnerability of this business and suggested the Directors to take a cautious approach on the zipper business. In particular, the imposition of additional tariffs leads to uncertainty which was highly unpredictable in the fourth quarter of 2025 and the situation remains uncertain in early 2026. When the Company was first approached by the Purchaser in April 2025 to explore the Disposal, the Directors see it is an opportunity to restructure its zipper business in order to prepare for the uncertainties and improve its competitiveness and resilience in light of the unprecedented and unpredictable international trade environment as mentioned above.

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

2. About the Group and the Target Company

The principal activities of the Group are design, manufacture and sale of finished zippers and other garment accessories etc. and property investment and provision of property management services in the PRC. In respect of the zipper business, as at the Latest Practicable Date, the Group primarily manages it through two key operating subsidiaries: KEE Guangdong and KEE Hubei (the Target Company).

KEE Guangdong has served as the headquarters for the Group's zipper business since 2005. It maintains a strong team of experienced sales and marketing personnel, along with specialized product development experts. Although it sources metal sliders and zipper teeth from KEE Hubei, KEE Guangdong possesses all the necessary machinery and skilled production staff to manufacture the remaining zipper components and assemble finished zippers. Leveraging its long-established history and deep technical expertise in zipper production, KEE Guangdong has been designated to handle high-technical-requirement/custom-made zipper products, which typically command higher margins than standard products.

The Target Company, KEE Hubei, was established in 2022. The Target Company is principally engaged in manufacturing zipper components (including but not limited to metal sliders, zipper teeth and other zipper accessories) that require lower technical requirements. The production of metal sliders and zipper teeth involves relatively straightforward processes (as the moulds are designed and provided by KEE Guangdong) which only require metal injection moulding machines. Accordingly, the zipper products and components manufactured and sold by KEE Hubei are generally standard products featuring lower technical requirements.

Since its establishment, the manufacture of metal sliders and zipper teeth has been centralized at KEE Hubei to enhance operational efficiency and product quality. Accordingly, the Target Company has been carried principally as internal supplier of KEE Guangdong and KEE Guangdong has primarily sourced these components from KEE Hubei.

The Target Company recorded losses after taxation of approximately RMB3.0 million and profits after taxation of approximately RMB7.6 million for the year ended 31 December 2023 and 2024 respectively. It is worth noting that the profit recorded by the Target Company for the year ended 31 December 2024 was principally derived from its business as an internal supplier of the Group. For the year ended 31 December 2023 and 2024, approximately 50% of the revenue of KEE Hubei was derived from the intra-group sales to KEE Guangdong. Meanwhile, KEE Hubei's gross profit margins have consistently been lower than those of KEE Guangdong. For the years ended 31 December 2023 and 2024 as well as the first quarter ended 31 March 2025, KEE Hubei's gross profit margins were 13%, 21% and 16% (unaudited) respectively while KEE Guangdong's gross profit margins were 28%, 25% and 20% (unaudited) respectively.

As disclosed in the annual reports of the Company for the year ended 31 December 2023 and 2024, the revenue of the zipper business represented approximately 87.7% and 71.4% of the revenue of the Group and it made a loss of approximately HK$6,912,000 and HK$2,989,000 while the Group made a profit of approximately HK$25,293,000 and HK$88,521,000 for these two years, indicating the contrasted performance of the Group's zipper business against the overall business performance of the Group. The Directors are of the view that the zipper industry in the PRC is facing several challenges, including, amongst other, the intense competition and pressures on profit margins amongst competitors and the material deterioration in international trade environment commencing in the first half of 2025. The Directors believed that to address these challenges, the Group shall increase efficiency, streamline the production process and focus resources by disposing of the Target Company which is a non-core production base focusing primarily on the production of zipper components that requires lower technical requirements and does not involve the core techniques of the Group's zipper business. The Disposal is consistent with the Group's overall business strategies in its zipper business.

3. Further reasons for the Disposal – Transformation of the Group's zipper business focusing on products will more technical requirements and seeking alternative suppliers for cost saving

Despite that the Company did not have intentions to downsize the zipper business when it took control of Jiajinlong Car City at the end of 2024, the geopolitical tensions, rising costs, interest rates and intensified competition as mentioned above have further increased the challenge, causing the Group to adopt a more cautious attitude towards its zipper business afterwards as discussed in the above. The Company considered that the Disposal would enable the Group's zipper business to restructure and pivot toward in-house production of technically advanced and innovative zipper products, while outsourcing those with low technical demands to third-party suppliers.

The moulding operation of metal zipper components (namely sliders and teeth) has been centralised out of KEE Hubei since its establishment in 2022 in order to achieve greater internal production efficiency. Therefore, KEE Hubei has been the internal supplier of metal zipper components (those require lower technical requirement) to the Group. While the Target Company will cease to be a subsidiary of the Company after the Disposal, the Procurement Framework Agreement will secure the ongoing supply of the Zipper Products to the Group, but only at the Group's discretion. In the past, during the peak season, when KEE Hubei could not meet KEE Guangdong's orders for metal zipper components, KEE Guangdong sourced such zipper components from external zipper suppliers.

For the three years ended 31 December 2025, the Group purchased the following amounts of metal zipper components from external suppliers:

	2023	**2024**	**2025**
Amount purchased	HK$2.2 million	HK$3.0 million	HK$4.3 million
Number of suppliers	21	26	30
Number of suppliers served in all three years	13	13	13

As illustrated in the above, the Group has established business relationships with a network of external zipper component suppliers. In particular, in view that the Target Company has been focusing on the production of zipper components which require lower technical requirements and based on the Company's assessment, there are more than 1,000 manufacturers of zipper components in Guangdong and Fujian provinces respectively which are able to meet the sourcing needs of the Group's zipper components in the future. The Directors are of the view that the operational risks associated with not being able to source sufficient zipper components for the Group's production following the Disposal is minimal.

The Directors also consider that with the increasing number of external suppliers and amount of purchase of zipper components therefrom from 2023 to 2025, the Company sees certain costs saving benefits of outsourcing of production of zipper components with low technical demands to external suppliers while it maintains the core production capabilities to produce zipper components and products with more technical requirements. It is believed that following the Disposal, the Company would place more effort to focus on the production and development of zipper components and products that demand greater technical expertise and innovation while sourcing zipper components with low technical demands from different external suppliers including the Target Company after the Disposal with a view to consolidating resources on core processes and lowering the overall cost of productions and hence bringing positive return to the Company's zipper business as a whole. This move also aligns with the national policy for quality improvement and upgrade in the zipper industry, as the Board considers that the Target Company which focuses on manufacturing of zipper products with relatively lower technical requirements (usually associated with lower profit margin) will face more cost pressure in light of the increasing costs arising from the potential tariff increase and increase in labor costs and compliance costs. Based on the Company's assessment, following the Disposal, the Group will be able to and have more flexibility to source zipper products from external third-party suppliers in addition to the Target Company. The Group will be able to select suppliers based solely on quality, price, and supply terms, without the necessity to prioritise the Target Company irrespective of cost considerations. This enhanced procurement flexibility is expected to further strengthen the competitiveness of the Group's zipper business.

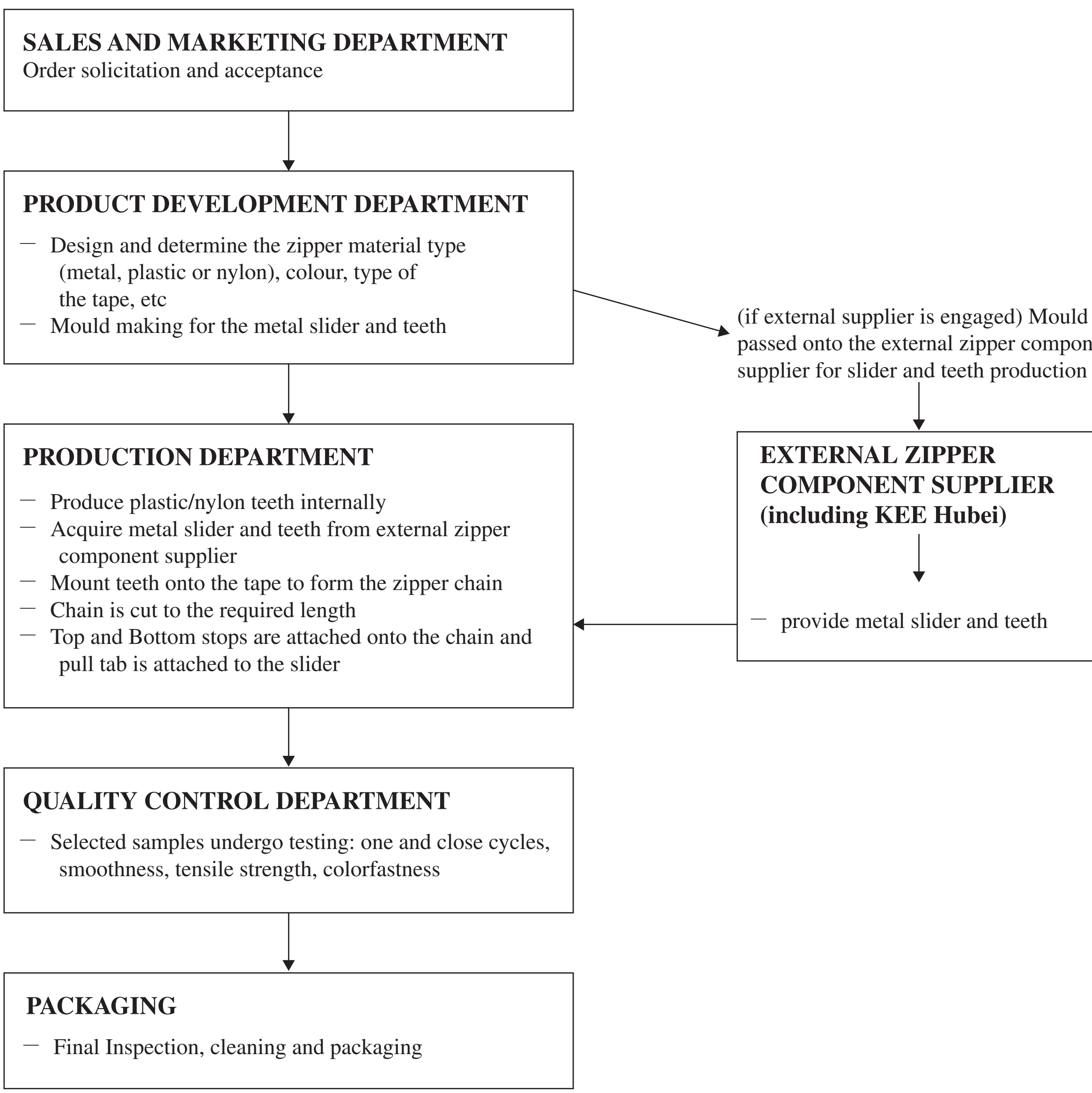
The Company intends to maintain the zipper business (but in an upgraded and transformed manner) following the Disposal through its retained subsidiaries with the plan to further automate its production processes so as to enhance the production capacity. Following the Disposal, the Group's remaining production capacity (owned through KEE Guangdong) would be around nine million zippers per month and in the past, during the peak season, the monthly capacity utilisation often reached over 90%. In view of the possible full utilisation of the production capacity of KEE Guangdong in the future, the Company plans to invest RMB5 million to upgrade the hardware (mainly moulding injection and zipper teeth mounting machines) of the existing automated production lines in order to enhance the production capacity by approximately 15% during the peak season as well as to raise the manufacturing efficiency and quality, and hence creating a buffer for the existing production capacity of KEE Guangdong.

Other than the proposed upgrading of the zipper business operation following the completion of Disposal, the Group's zipper business model will remain unchanged after the Disposal. The customers in the zipper business of the Group are primarily OEMs (original equipment manufacturers) who manufacture apparel products for (i) apparel brands in China; and (ii) some well-known international apparel labels. The Group will continue to maintain 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.

Other than the production of some components, including sliders and zipper components that require lower technical requirements which will be outsourced to third party suppliers after the Disposal for cost-efficiency purpose, core production lines of the zipper business, including production of slides and zipper accessories requiring more complex technical requirements, the mounting of the zipper chain to the tape, attaching the slider on the zipper chain, attaching pull tab to the sliders and installing the stop at the end of the zipper product, will still remain within the Group.

4. Core competitive strength of the Group in the future zipper business to retain

The Group will retain the relevant design patents, alongside the production facilities located in the Guangdong Province, the PRC (as well as a marketing office for overseas sales in Hong Kong) and approximately 330 experienced personnel (of whom 69 are responsible for product design as well as research and development, 39 are engaged in sales and marketing and the remaining are management and production staff) in KEE Guangdong, of which the daily operation is headed by a manager who possesses over 26 years of experience in the zipper industry. The Group will maintain full capability in the design, manufacture and sale of finished zippers after the Disposal. For illustrative purpose, set out below is the flow chart of the business model of the Group's zipper business following the Disposal:



As illustrated in the above flow chart of the Group's zipper business after completion of the Disposal, the Group retains the necessary experienced staff and machineries to continue its zipper manufacturing business, in particular those require more complex technical requirements. Given that the Group maintains well established business relationships with a network of external zipper component suppliers other than KEE Hubei, and in light that the Group's business model of its zipper business remains unchanged in all material respects, the Directors consider that the Disposal will have no material impacts on the Group's business operation going forward.

Upon Completion of the Disposal, the Group will continue the zippers business through KEE Guangdong, by sourcing zipper components from the Target Company (under the Framework Agreement) and/or independent suppliers at the Group's discretion. Pursuant to the Equity Transfer Agreement, the Target Company (i) may continue to provide its Zipper Products and services to its existing clients within three years prior to the date of the Equity Transfer Agreement; and (ii) may only provide its Zipper Products and services to new clients located or operated in the Competitive Region after Completion.

5. The property management business of the Group

Since 2023, the Group has entered into the property management services segment, putting less reliance on the asset-heavy business model to enhance flexibility in its operation, achieve diversified development and establish a secure and robust operational framework. As announced on 30 September 2024, the Company's wholly-owned subsidiary entered into a subscription agreement for the subscription of the 90% the of enlarged registered capital of Shenzhen Jiajinlong Industrial Development Co., Ltd. (深圳市嘉進隆實業發展有限公司), which is the operator of the Jiajinlong Car City in Shenzhen. Completion of such subscription took place on 31 December 2024 and the Group obtained control and management of Jiajinlong Car City, which enabled the Group greater flexibility in the strategic directions and day-to-day management of Jiajinlong Car City, and hence to achieve operational and management efficiency which is beneficial to the Group's long-term development. The Company also intends to seek stable growth of its property investment and provision of property management services.

The Group considers that the remaining zipper business and the property management services business will continue to provide stable and solid income to the Group. As at the Latest Practicable Date, apart from the Disposal, the Company does not have intention or plan or entered into any agreement, undertaking and negotiations (whether formal or informal; express or implied) for the acquisition of new business(es) and/or disposal or downsizing the existing business(es).

6. Intended use of proceeds

The net proceeds from the Disposal, after deducting costs and expenses relating to the Disposal, are expected to be approximately HK$42.2 million. It is intended that the net proceeds of approximately HK$18.1 million from the Disposal will be used for further expansion and development of the Group's businesses, amongst which, (i) approximately HK$5 million will be used for financing the expansion of the property management services business including exploring possible merger and acquisition opportunities, (ii) approximately HK$7.6 million will be used for the associated costs in connection with the expansion of the property management business involving hiring additional staff and daily operation expenses, and (iii) approximately HK$5.5 million will be used for investment in upgrading the equipment of the existing automated production lines, and approximately HK$24.1 million will be used for the general working capital of the Group.

7. Conclusion

In view of the increase in tariff and other trade barrier risks and the temporary nature of the recent sales rebound in 2025, together with the strategic benefits of transforming to a more cost-efficient model for the zipper business, the Directors consider the Disposal beneficial to the Group. The Disposal, if completed, will enable the Group to allocate capital and management resources more effectively towards the upgrade and transformation of the existing zipper business and other businesses. The Group believes that the Disposal will allow the Group to (i) streamline its operations and improve its resource allocation and utilization while retaining control over high-value design, final assembly and customer relationships through KEE Guangdong; (ii) generate immediate cash inflow to strengthen the general working capital of the Group and explore further business and investment opportunities in the existing businesses of the Group; and (iii) further optimize its business model to deliver stable return to the Group and for its Shareholders. In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Disposal, the terms and conditions of the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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

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

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

EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the EGM to be held at 11:00 a.m. on Monday, 30 March 2026 at The Boardroom, Lobby Level, The Langham Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. A resolution will be proposed at the EGM to approve, among other things, the Equity Transfer Agreement and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll save that the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The Equity Transfer Agreement and the transactions contemplated thereunder is subject to the approval of a resolution passed by the Shareholders. To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders are interested in the Equity Transfer Agreement and the transactions contemplated thereunder, no Shareholders are required to abstain from voting at the EGM on the Equity Transfer Agreement and the transactions contemplated thereunder.

RECOMMENDATION

The Directors consider that the Equity Transfer Agreement and the transactions contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the resolution to be proposed at the EGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board
Gilston Group Limited
Yip Siu Lun Dave
Chairman and executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the two years ended 31 December 2024 and 2025; and the six months ended 30 June 2025 are disclosed in the following documents of the Company which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company https://www.irasia.com/listco/hk/gilstongroup/):

- pages 60 to 124 of the annual report of the Company for the year ended 31 December 2022 (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042500649.pdf)

- pages 67 to 137 of the annual report of the Company for the year ended 31 December 2023 (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900733.pdf)

- pages 68 to 145 of the annual report of the Company for the year ended 31 December 2024 (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042903097.pdf)

- pages 25 to 52 of the 2025 interim report for the six months ended 30 June 2025 (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0929/2025092901186.pdf)

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 15 January 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the indebtedness of the Group was as follows:

The Group had total outstanding indebtedness of approximately HK$186.6 million comprising (a) secured and guaranteed bank borrowing of approximately HK$98.2 million; (b) lease liabilities of approximately HK$75.2 million; (c) unsecured and unguaranteed amount due to a director of approximately HK$10.0 million; (d) contingent liabilities arising from litigation claim in the ordinary course of business of approximately HK$0.7 million; and (e) contracted commitment of property, plant and equipment of approximately HK$2.5 million. All outstanding bank borrowings as at 15 January 2026 were secured and 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. The bank borrowings are repayable in 2034. The amount due to a director had no repayment clause.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, normal trade payables and other payables in the ordinary course of business, at the close of business on 15 January 2026, the Group did not have any debt securities issued or outstanding, or authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, contingent liabilities or guarantees outstanding.

3. WORKING CAPITAL STATEMENT

Taking into account the effect of the Disposal and the financial resources of the Group including the Group's internal resources, the Directors, after due and careful enquiries, are of the opinion that the Group will have sufficient working capital for the Group's requirements for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

BUSINESS REVIEW

The Group continued to operate the zipper 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 Business 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 2025. The customers in the zipper business are primarily OEMs which 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 which 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$26.37 million for the six months ended 30 June 2025, as compared with profit attributable to equity shareholders of the Company of approximately HK$10.85 million for the same period in 2024. The increase in profit is mainly attributable to, amongst other factors, share of a higher portion of revenue and net profit from direct operation of Jiajinlong Car City through subscription of 90% shares of Shenzhen Jiajinlong Industrial Development Co., Ltd. (深圳市嘉進隆實業發展有限公司) than through management of Jiajinlong Car City through management agreement.

PROSPECTS

Zipper business

As set out in the 2025 interim report of the Company, although the domestic apparel market has rebounded as a result of the market dynamics triggered by the national policies to stimulate consumption, the operating environment remains tough due to the lack of end-user consumption momentum as a result of factors such as sluggish consumer sentiment and intensified competition in the market. Rising costs and interest rates have further increased the challenges, causing the Group to adopt a more conservative attitude towards its zipper business.

The Company intends to maintain the zipper business following the Disposal through its retained subsidiaries. The Group's zipper business model will remain unchanged. The Company has planned to further automate its production processes so as to enhance the production capacity. The Company plans to invest RMB5 million to upgrade the hardware of the existing automated production lines in order to enhance the production capacity as well as to raise the manufacturing efficiency and quality.

Property management business

The Group has always adhered to a pragmatic business strategy and actively pursued diversification while stabilizing its existing business to achieve steady growth and stable cash flow, and effectively reduce business risks. In the year of 2023, the Group introduced property management services characterized by short cycles, stable cash flows, and low asset intensity. Starting from January 2025, the Group managed and operated Jiajinlong Car City directly through completion of subscription of 90% of enlarged registered capital of Shenzhen Jiajinlong Industrial Development Co., Ltd. (深圳市嘉進隆實業發展有限公司). As stated in the announcement of the Company dated 29 August 2025, the use of land on which Jiajinlong Car City is operating has been extended until 15 July 2028, and if the formal procedures for renewal of the right to use the Land is not completed by then, such transition period will extend to 15 July 2030. The Group is actively working with the relevant parties with a view to obtaining the approval for renewal of the right to use the land for a period of 20 years.

Automobiles have inevitably become an indispensable part of contemporary human development. Responding to the diverse needs of car users and enthusiasts, Jiajinlong Car City serves as a central communication and services hub, leveraging on its strategic geographical location and a decade of operational expertise. Additionally, the senior management of the Group has fostered a professional environment, catering to global car brands and users and provision of exceptional services. Considering the above factors, the Board remains confident in the long-term prospect of its property management business relating to Jiajinlong Car City.

The Group's will continue to review the business strategies, formulate long-term plans, and explore additional business opportunities or investments. In 2025, amid a complex and challenging environment, China's economy achieved steady growth. In the face of numerous uncertainties, the Group has successfully achieved a turnaround from loss to profit through operational strategy adjustments and diversified developments and recorded an improved profit during the six months ended 30 June 2025. In the future, the Group will continue to explore innovation, remain agile in response to changes and fully utilize its strengths in order to build a solid and sustainable foundation for development. The Group's goal is to create a healthy and secure development model that delivers stable returns for the Shareholders.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

The following is the text of a report prepared for the purpose of incorporation in this circular received from Graval Consulting Limited, an independent valuer, in relation to the valuation of 100% equity interest in KEE (Hubei) Zippers Manufacturing Company Limited as at 30 September 2025.

Graval Consulting Limited
Suite 2401–02, 24/F
Shui On Centre
6–8 Harbour Road
Wanchai, Hong Kong

12 March 2026

The Board of Directors
Gilston Group Limited
Suite 10A and 10B, 15/F
Nine Queen's Road Central
Central
Hong Kong

Dear Sirs/Madams,

Valuation of 100% Equity Interest in 開易(湖北)拉鏈製造有限公司 (KEE (Hubei) Zippers Manufacturing Limited)

In accordance with your instructions, we have conducted a valuation of the Market Value of 100% equity interest in the Target Company. The Target Company is principally engaged in manufacture and sale of zipper products in the PRC. We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value as at the Valuation Date.

This report states the intended use of valuation, premise of value, company profile, sources of information, describes the investigation and analysis, methodology and assumptions of our valuation, limiting conditions, remarks, and presents our opinion of value.

1. INTENDED USE OF VALUATION

Graval acknowledges that the intended use of this report is solely for the Client's public documentation purpose and this valuation report will be appended to a circular of the Client.

We must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents. If others choose to rely in any way on the contents of this report they do so entirely on their own risk.

2. PREMISE OF VALUE

Our valuation has been prepared in accordance with the IVS published by the International Valuation Standards Council.

Our valuation is based on the going concern premise and conducted on a basis of Market Value.

3. COMPANY PROFILE

3.1. Background of the Client

The Client acts as an investment holding company. The Client and its subsidiaries are mainly engaged in the manufacture and sales of zippers business. In September 2023, the Group commenced to provide property management service and from December 2024, the Client commenced its leasing and subleasing business.

3.2. Background of the Target Company

The Target Company is incorporated in the PRC with limited liability on 16 March 2022. The Target Company is principally engaged in manufacture and sale of zipper products in the PRC.

The following table presents extracts from the audited financial information of the Target Company for the financial year ended 31 December 2024 and unaudited financial information for the nine-month period ended 30 September 2025:

Item	For the Financial Year Ended 31 December 2024 *(RMB)*	For the Nine Months Ended 30 September 2025 *(RMB)*
Revenue	149,939,329	111,310,945
EBIT[1]	12,037,387	10,909,365
Net profit	7,557,203	8,888,306
Net asset value	10,589,931	19,478,237

Note:

1. Non-operating incomes and expenses were excluded.

4. SOURCES OF INFORMATION

We relied on the following major documents and information in our valuation analysis. Some of the information and materials are furnished by the Management. Other information is extracted from public sources such as government sources, Bloomberg, Damodaran Online, Business Valuation Resources, LLC, Stout Risius Ross, LLC and Kroll, LLC.

The major documents and information include but not limited to the following:

- Company background and business description of the Target Company;
- Legal documentations of the Target Company;
- Audited financial statements of the Target Company for the financial year ended 31 December 2024;
- Unaudited management accounts of the Target Company for the nine months ended 30 September 2025; and
- Financial and economic data sourced from Bloomberg.

In the course of our valuation, we had discussion with the Management on the industry and business development of the Target Company. Furthermore, we have made reference to or reviewed the above information and data and assumed such information and data are true, accurate and complete without independent verification except as expressly described herein. However, we consider that we have obtained adequate information from the sources described above to provide a reliable opinion of value.

We must emphasise that the realisation of the prospective financial information is dependent on the continuing validity of the assumptions on which it is based. Actual results are likely to differ from those shown in the prospective financial information. The differences may be material as events and circumstances frequently do not occur as expected.

5. INVESTIGATION AND ANALYSIS

Our investigation includes our discussion with the Management in relation to the historical performance, prospect, industry and other relevant information of the Target Company. In addition, we have made relevant enquiries and obtained other public sources of financial and business information as we consider necessary for the intended use of this valuation.

The valuation of the Target Company requires consideration of all pertinent factors, which may affect the operations of the business and its ability to generate future investment returns. The factors considered in this valuation include the following:

- Business nature and operations of the Target Company;
- Historical financial and operational information of the Target Company;
- Proposed business development of the Target Company;
- Nature and terms of the relevant agreements, contracts, licenses, permits and rights held by the Target Company;
- Regulations and rules of the relevant industries;
- Economic and industry data affecting the market and other dependent industries;
- Market-derived investment returns of similar businesses; and
- General economic outlook.

6. VALUATION METHODOLOGY

6.1. Valuation Approaches

There are three generally accepted valuation approaches: the market approach, the cost approach, and the income approach.

Market Approach

The market approach provides an indication of value by comparing a business entity with identical or comparable (that is similar) assets for which price information is available. The underlying theory of this approach is that one would not pay more than one would have to pay for an equally desirable alternative. By adopting this approach, the analysis will begin by examining indications of value from the prices of comparable companies or equity interests in companies that were sold recently.

The appropriate transactions used in the analysis must be based on an arm's length basis, assuming that the buyers and sellers are well informed and have no special motivations or compulsions to buy or to sell. The derived multiples (such as price-to-earnings, price-to-sales and price-to-book ratios) based on the analysis of those transactions are applied to the fundamental financial variables of the subject business entity to derive an indication of value.

Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for a business entity than the cost to obtain a business entity of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. This approach provides an indication of value by calculating the current replacement or reproduction cost of a business entity and making deductions for all relevant forms of obsolescence.

From a valuation perspective, the values of all types of assets and liabilities of the business entity will be restated from book values (i.e. historical cost minus depreciation) to reflect appropriate standards of value. Following this restatement, the indicated value of the business entity can be identified, or, by applying the accounting principle of "assets minus liabilities", the value of the equity interest in the business entity can be determined.

Income Approach

The income approach provides an indication of value by converting projected cash flows to a single current value. Under the income approach, the value of a business entity is determined by reference to the value of income, cash flow or cost savings generated by the business entity. The underlying theory of this approach is that the value of a business entity can be measured by the present worth of the economic benefits to be received over the life of the business entity.

Based on this valuation principle, the income approach estimates the future economic benefits and discounts these benefits to the present value using a discount rate that reflects the risks associated with realizing those benefits. Alternatively, this can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will maintain stable economic benefits and growth rate.

6.2. Selection of Approach

To select the most appropriate approach, we have considered the intended use of this valuation and the resulting premise of value as well as the availability and reliability of information related to the Target Company to perform this analysis. We have considered the relative advantages and disadvantages of each approach having regard to the nature and circumstances of the Target Company as well.

In this valuation, the cost approach is not applied as the valuation of the Target Company is conducted on a going concern basis; therefore, the cost of reproducing and replacing its assets is inappropriate as such method ignores the future economic benefits of the business as a whole. The income approach is not applied as it requires detailed operational information and long-term financial projections of the Target Company, but such information is not available. We have therefore solely relied on the market approach in determining our opinion of value.

There are two common methods under the market approach, namely, the guideline public company method and the guideline transaction method. The guideline transaction method is not adopted due to lack of recent market transactions with similar nature as the Target Company. Hence, the valuation of the Target Company was developed through the guideline public company method. This method requires the research of comparable companies' benchmark multiples and selection of an appropriate multiple.

In order to reflect the latest financial performance and capital structure of the Target Company, the EV/EBIT Ratio of the comparable companies was adopted in this valuation. Enterprise value serves as a capital-structure-neutral measure, allowing for a more consistent comparison across companies with varying levels of debt and equity financing. In addition, as the comparable companies may operate under different tax jurisdictions, the use of EBIT provides a clearer indication of financial performance by eliminating potential distortions arising from tax effects. In particular, we have adopted the trailing 12-month EV/EBIT Ratio of the comparable companies.

7. VALUATION ASSUMPTIONS

7.1. Comparable Search

In searching for the comparable companies, the selection criteria have been adopted as follows:

- Publicly listed with liquid market trading and sufficient information;
- Principal place of business located in Asia Pacific; and
- A minimum of 50% of its revenue in the latest financial year was generated from zipper products.

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

Bloomberg Ticker	Company Name	Primary Exchange	Country/ Territory of Risk	Revenue from Zipper Products[2]	Market Capitalization[3] (USD million)	Company Description
8932 TT Equity	Wiselink Co., Ltd.	Taipei Exchange	Taiwan	100%	1,201	Wiselink Co., Ltd. manufactures and markets zippers and related components. The company produces nylon zippers, plastic steel zippers, metal zippers, invisible zippers, other special zippers, sliders, and zipper accessories for clothing, bags, furniture, car seats, military and outdoor products.
002003 CH Equity	Zhejiang Weixing Industrial Development Co., Ltd.	Shenzhen Stock Exchange	PRC	53%	1,671	Zhejiang Weixing Industrial Development Co., Ltd. manufactures buttons, zips, and other apparel accessories. The company also provides electroplating services.
002098 CH Equity	Fujian SBS Zipper Science & Technology Co., Ltd.	Shenzhen Stock Exchange	PRC	79%	438	Fujian SBS Zipper Science & Technology Co., Ltd. manufactures and markets plastic and metal zippers, as well as the accessories.
2011 HK Equity	Gilston Group Limited	Hong Kong Stock Exchange	PRC	71%	103	Gilston Group Limited produces finished zippers. The company manufactures metal, nylon, and plastic zippers for apparels.

Note:

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

3. These figures were as at the Valuation Date.

7.2. Market Multiples

The trailing 12-month EV/EBIT Ratios of the comparable companies were obtained from Bloomberg. Bloomberg calculates this metric by deriving the enterprise value and expressing it as a multiple of EBIT. The calculation uses fundamental financial data from the most recent reporting period available in its database. Specifically, it is computed as enterprise value divided by trailing 12-month EBIT.

We observed that the range of market capitalization among the selected comparable companies may be wide and there may be differences in country/territory of risk exposure. To improve the relevance and comparability of the market multiples applied, adjustments were made to the trailing 12-month EV/EBIT Ratios of the comparable companies to account for both size premium differentials and country/territory risk premium differentials. The adjusted multiples were derived using the following formula:

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

Where:

Ratio = Trailing 12-month EV/EBIT Ratio of the comparable company

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

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

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

The trailing 12-month EV/EBIT Ratios were adjusted for differences in company size and country/territory of risk in the table below:

Company Name	**EV/EBIT Ratio**	α[4]	θ[5]	γ[6]	**Adjusted Ratio**
Wiselink Co., Ltd.	35.26	1.02	9.69%	0.16%	7.76
Zhejiang Weixing Industrial Development Co., Ltd.	14.25	0.99	9.38%	0%	6.12
Fujian SBS Zipper Science & Technology Co., Ltd.	13.04	1.03	8.84%	0%	5.97
Gilston Group Limited	12.27	0.89	4.59%	0%	8.18
Median					**6.94**

Note:

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

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

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

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

7.3. Control Premium

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

7.4. DLOM

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

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

7.5. Calculation Details

Based on the above parameters and inputs, the calculation is shown as follows:

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

	Parameter	Unit	Formula	Input
i.	100% equity value after control premium and DLOM	RMB	(f) × (g) × (h)	39,263,646
j.	Rounded value	RMB		39,000,000

7.6. General Assumptions

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following key assumptions have been made in this valuation:

- The valuation was primarily based on the historical financial information of the Target Company as at 31 December 2024 and 30 September 2025 provided to us;
- Non-operating incomes and expenses were excluded from the trailing 12-month EBIT of the Target Company as at the Valuation Date;
- To continue as a going concern, the Target Company has, or will have, the resources (financial, human and physical) needed to successfully carry out current and future business operations;
- The information made available to us by the Management is truthful, accurate and without any hidden or unexpected conditions associated with the Target Company that might adversely affect the reported values;
- Interest rates and exchange rates in the localities for the operations of the Target Company will not differ materially from those presently prevailing;
- The contractual parties of the relevant agreements will act in accordance with the terms and conditions of the agreements and understandings between the parties and will be renewable upon expiry, if applicable;
- All relevant consents, business certificates, licenses or other legislative or administrative approvals from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and
- There will be no major changes in the political, legal, technological, economic or financial conditions and taxation laws in the localities in which the Target Company operates or intends to operate, which would adversely affect the business of the Target Company.

8. LIMITING CONDITIONS

Our conclusion of the value is derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. No opinion is intended to be expressed for matters which require legal, audit or other specialised expertise, which is out of valuers' capacity.

In preparing this report, we emphasized that we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We are not liable for anything related to, or arising in any way or form, the inaccuracy or insufficiency of such information. Our report was used as part of the analysis of the Client in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of our derived value rests solely with the Client.

Public industry and statistical information have been obtained from the sources that we deem to be reputable. However, we make no representation as to the accuracy and completeness of such information, and have accepted the information without any verification.

The Management has reviewed and agreed on the report, and confirmed the basis, assumptions, calculations and results are appropriate and reasonable. The use of and/or the validity of the report is subject to the terms of proposal and the full settlement of the fees and all the expenses.

We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported result. Further, we assume no responsibility for changes in market conditions, government policy or other events after the Valuation Date. We cannot provide assurance on the achievability of the results estimated by the Client and/or Target Company. Events and circumstances frequently do not occur as expected and achievement of the forecast results is dependent on actions, plans and assumptions of the Management; difference between actual and expected results may be material.

We have not investigated the title to or any legal liabilities of the Target Company and have assumed no responsibility for the title to the Target Company.

In accordance with our standard practices, we must state that this report is for the exclusive use of the party to whom it is addressed and for the specific intended use stated above. Furthermore, the report and conclusion of value are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value represents the consideration based on information furnished by the Client and other sources. No responsibility is accepted to any third party for the whole or any part of its contents.

Save as and except for the intended use stated above, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

Actual transactions involving the valuation subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction, and the knowledge and motivation of the buyers and sellers at that time.

9. REMARKS

Our opinion of value is presented in RMB unless otherwise stated.

We hereby confirm that we have neither present nor prospective interests in the Target Company, the Client and their associated companies or the value reported herein.

10. OPINION OF VALUE

Based on the results of our investigation and analysis outlined in this report, we are of the opinion that the Market Value of 100% equity interest in the Target Company as at the Valuation Date is stated as **RMB39,000,000 (RENMINBI THIRTY NINE MILLION ONLY)**.

Respectfully submitted,
For and on behalf of
GRAVAL CONSULTING LIMITED

Kelvin C.H. Chan, *CFA, FCCA, RICS Registered Valuer, MRICS*

Chairman

Analysed and reported by : **Terry S.W. Hui**, *CFA, FRM, MRICS Director*

: **Marvin T.Y. Chan**, *CFA Assistant Manager*

APPENDIX I – VALUER BIOGRAPHY

Kelvin C.H. Chan, *CFA, FCCA, RICS Registered Valuer, MRICS*
Chairman

Mr. Kelvin C.H. Chan is a Chartered Financial Analyst (CFA) Charterholder, a chartered member of the Royal Institution of Chartered Surveyors (RICS) and a fellow member of the Association of Chartered Certified Accountants (ACCA). He has been working in the financial industry since 1996, with experiences covering the area of corporate banking, equity analysis, and business valuation.

Terry S.W. Hui, *CFA, FRM, MRICS*
Director

Mr. Terry S.W. Hui is a CFA Charterholder, a Financial Risk Manager (FRM) Certified Professional, and a chartered member of RICS. He has over 10 years of experience in providing valuation and related advisory services to listed and private companies across various industries in Mainland China, Hong Kong, and Singapore. His expertise lies in supporting clients with financial reporting requirements and facilitating mergers and acquisitions flows.

Marvin T.Y. Chan, *CFA*
Assistant Manager

Mr. Marvin T.Y. Chan is a CFA Charterholder. He obtained his Bachelor's Degree in Business Administration majoring in Finance from the University of Washington. He has been working in the financial industry since 2019, with past experience in asset management, investment advisory, and financial market research.

DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the following meaning:

"Client"	Gilston Group Limited
"DLOM"	Discount for lack of marketability
"EBIT"	Earnings before interest and taxes
"EV/EBIT Ratio"	Enterprise value-to-EBIT ratio
"Graval"	Graval Consulting Limited
"Group"	The Client and its subsidiaries
"HKD"	Hong Kong dollars
"IVS"	International Valuation Standards
"Management"	Management of the Client, the Target Company and/or their representatives
"Market Value"	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion
"PRC"	People's Republic of China
"RMB"	Renminbi
"Target Company"	開易(湖北)拉鏈製造有限公司 (KEE (Hubei) Zippers Manufacturing Limited)
"USD"	United States dollars
"Valuation Date"	30 September 2025, being the date that this valuation applies

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors and chief executives' interests and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, 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 Securities and Futures Ordinance (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 for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("**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 interested	Approximate percentage of the Company's issued Shares
Wu Cody Zhuo-xuan *(Note 1)*	Interest in controlled corporation	139,197,663	24.23%
Lin Ping *(Note 2)*	Interest in controlled corporation	26,556,126	4.62%
Mak Yung Pan Andrew *(Note 2)*	Interest in controlled corporation	26,556,126	4.62%
Yip Siu Lun Dave *(Note 3)*	Beneficial owner	33,465,888	5.83%

Name of Director	Nature of interest	Number of Shares interested	Approximate percentage of the Company's issued Shares
Cheung Ka Yuen *(Note 4)*	Beneficial owner	5,577,648	0.97%

Notes:

1. Mr. Wu Cody Zhuo-xuan is the owner of the entire equity interests in Central Eagle Limited.

2. 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.

3. Following the grant of share options on 27 September 2023 (the "**Scheme**") and the approval from shareholders 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.

4. 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.

5. The percentage is calculated on the basis of 574,497,800 shares of the Company in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, 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.

(ii) Substantial Shareholders' interests and short positions in the Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, the following persons had, or were deemed to have, interests or short positions in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in the shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of Shares interested	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	26,566,126	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 in controlled corporation	287,306,360	50.01%

Name of Shareholder	Capacity	Number of Shares interested	Approximate percentage of interest
中國中信金融資產管理股份有限公司 *(Note 5)*	Interest in 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%

Notes:

1. China Sun is wholly-owned by Mr. Qiu Chuanzhi.

2. Central Eagle is wholly-owned by Mr. Wu Cody Zhuo-xuan. A charge over 138,189,189 shares of Gilston Group Ltd. held by Central Eagle Limited was created in favour of Dyfed Holdings as trustee for the secured parties.

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 the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) that 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.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any material litigations or claims and no litigations or claims of material importance were pending or threatened by or against any member of the Group.

5. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date:

(i) none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and

(ii) none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular which was significant in relation to any business of the Group.

6. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group.

7. MATERIAL CONTRACTS

The following agreements (not being in the ordinary course of business of the Group) have been entered into by members of the Group within the two years immediately preceding the issue of this circular and the Latest Practicable Date that are or may be material:

(i) a share subscription agreement dated 30 September 2024 entered into by Mr. Chen Huipeng and Mr. Zhang Hongjie, the original shareholders of 深圳市嘉進隆實業發展有限公司 (Shenzhen Jiajinlong Industrial Development Co., Ltd.*) ("**Shenzhen Jiajinlong**"), Shenzhen Jiajinlong and Shenzhen Errui in relation to the subscription of the registered capital of Shenzhen Jiajinlong in the amount of RMB9,000,000 at the consideration of RMB9,000,000;

(ii) a lease renewal agreement dated 31 December 2024 entered into between Mr. Xu Xipeng and Mr. Xu Xinan (as lessors) and KEE (Guangdong) (as lessee), in respect of the Guangdong Plant, for a further six-year term from 1 January 2025 to 31 December 2030 at monthly rent of (a) RMB494,510 from 1 January 2025 to 31 December 2026, (b) RMB519,235.50 from 1 January 2027 to 31 December 2028 and (c) RMB545,197 from 1 January 2029 to 31 December 2030;

(iii) the Procurement Framework Agreement dated 19 December 2025 entered into between KEE Guangdong and KEE Hubei in relation to the procurement of Zippers Products for a term of three years from the date of Completion; and

(iv) the Equity Transfer Agreement.

8. EXPERT AND CONSENT

The following are the qualifications of the expert whose name, opinion and/or report are contained in this circular:

Name	Qualification
Graval Consulting Limited	Independent valuer

As at the Latest Practicable Date, the above expert (i) has no shareholding, directly or indirectly, in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) has no direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group; and (iii) had given and had not withdrawn its consent to the issue of this circular with the inclusion of its letter, opinions and/or reports and the reference to its name included herein in the form and context in which they respectively appear.

9. METHOD OF VOTING AT THE EGM

According to Rule13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by way of poll. Accordingly, the chairman of the EGM will demand a poll in relation to the proposed resolution at the EGM.

10. MISCELLANEOUS

(a) The company secretary of the Company is Mr. Chan Kam Fuk, who is a member of The Hong Kong Institute of Certified Public Accountants.

(b) The registered office of the Company is at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

(c) The principal place of business in Hong Kong of the Company is at Suite 10A and 10B, 15/F., Nine Queen's Road Central, Central, Hong Kong.

(d) The address of the Company's branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.irasia.com/listco/hk/gilstongroup/index.htm) for 14 days from the date of this circular:

(a) the Equity Transfer Agreement;

(b) the valuation report of the Target Group issued by the Valuer, the text of which is set out in Appendix II to this circular;

(c) the material contracts referred to in the paragraph headed "7. MATERIAL CONTRACTS" in this Appendix;

(d) the written consent from the expert as referred to under the section headed "8. EXPERT AND CONSENT" in this Appendix; and

(e) this circular.

* *for identification purposes*

GILSTON GROUP LIMITED
進騰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Gilston Group Limited (the "**Company**") will be held at The Boardroom, Lobby level, The Langham, Hong Kong, 8 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong on 30 March 2026 at 11:00 a.m. for the following purposes of considering and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. "**THAT** the equity transfer agreement dated 19 December 2025 (the "**Equity Transfer Agreement**") entered into between 開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited) ("**KEE Guangdong**"), 益創(湖北)拉鍊有限公司 (Yichuang (Hubei) Zippers Manufacturing Company Limited) (the "**Purchaser**") and 開易(湖北)拉鏈製造有限公司 (KEE (Hubei) Zippers Manufacturing Company Limited) ("**Kee Hubei**") 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, (a copy of the Equity Transfer Agreement marked "A" has been produced to this EGM and initialled by the chairman of this EGM for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and any one or more of the directors of the Company be and is hereby authorised to do such acts and things, to sign and execute all such further documents (including under seal, as applicable) and to take such steps as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Equity Transfer Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waiver of any of the matters relating thereto or in connection therewith."

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

Hong Kong, 12 March 2026

Notes:

1. A member of the Company entitled to attend and vote at the above EGM is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.

2. To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or other authority, must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 11:00 a.m. on 28 March 2026 (i.e. at least 48 hours excluding any part of a day that is a public holiday before the time appointed for holding the Meeting and any adjourned meeting (as the case may be)).

3. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

4. The register of members of the Company will be closed from 25 March 2026 to 30 March 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 24 March 2026.

5. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the EGM will be 30 March 2026.

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