This summary aims to give you an overview of the information contained in this document and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your **[REDACTED]** *decision. Various expressions used in this summary are defined in the section headed "Definition" and "Glossary of Technical Terms" in this document. There are risks associated with any investment. Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**. *You should read the entire document before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are mainly focused on the production and sales of new heat-generating materials and products in Northeast China. Our product portfolio comprises two main segments: (i) graphene-based heating films and (ii) graphene-integrated thermal products, both designed to deliver efficient and uniform heating for consumer and industrial applications.

Our sales channels are tailored for our two segments. For graphene-based heating films, marketed under the Hua Chen (華晨) brand, we employ direct sales to industrial end-users, comprising factories and construction companies which integrate the heating films into their own end products, such as heated floor panels, heated mats and warming equipment. Our sales team for this segment emphasizes industrial applications of graphene-based heating films, collaborating closely with clients to integrate our materials into their manufacturing processes. In contrast, our graphene-integrated thermal products, sold under the Fan Xi (梵晞), Mei Shi Kang (美世康), and Die Lian Qing Feng (蝶戀清楓) brands are distributed through a network in Northeast China, targeting retail stores for leisure consumers and corporate clients needing thermal protection for outdoor workforces. This sales strategy enables us to address diverse market needs effectively.

We have established manufacturing capabilities. Our production facilities in Changchun City feature 11 production lines dedicated to producing graphene-based heating films, a critical component of our thermal products. For our direct sales segment under the Hua Chen brand, we manufacture graphene-based heating films in-house. For the distribution sales segment under the Fan Xi, Mei Shi Kang, and Die Lian Qing Feng brands, we mainly engage subcontractors specializing in consumer product manufacturing. These subcontractors integrate our graphene-based heating films into final consumer-ready products such as thermal outdoor jackets (電熱衝鋒衣), thermal sleeping bags (電熱睡袋), and thermal seat cushions (電熱座墊), adhering to our specific designs. All finished products undergo inspection and quality control at our facility before distribution to our customers. This approach allows us to focus on our core competency, graphene-based heating films production while leveraging subcontractors' expertise in consumer goods assembly, enhancing operational efficiency and scalability without significant capital investment in non-core processes.

OUR PRODUCT

We have cultivated a portfolio of brands, each catering to specific market segments and consumer needs. Our brands include: (i) Hua Chen — our graphene-based heating films which sold through our direct sales channel to industrial end-users; (ii) Fan Xi — smart thermal clothing, including thermal outdoor jackets, thermal outdoor trousers and thermal vests, sold through our distribution sales channel; (iii) Mei Shi Kang — personal relaxation products, including thermal seat cushions and portable thermal waist bands, sold through our distribution sales channel; and (iv) Die Lian Qing Feng — travel and outdoor products, including thermal sleeping bags, sold through our distribution sales channel;

The following table sets forth the breakdown of our revenue by product type for the year indicated:

	FY2024				FY2025			
	Revenue RMB'000	*%*	*Sales volume ('000 pieces)*	*ASP RMB/ piece*	*Revenue RMB'000*	*%*	*Sales volume ('000 pieces)*	*ASP RMB/ piece*
Graphene-integrated thermal products								
Smart thermal clothing	47,768	48.8	93	514	39,092	32.8	89	439
Personal relaxation products	11,462	11.7	154	74	16,015	13.5	174	92
Travel and outdoor products	20,445	20.9	59	347	44,154	37.1	160	276
Subtotal:	79,675	81.4			99,261	83.4		
Graphene-based heating films	18,207	18.6	396	46	19,799	16.6	209	95
Total	97,882	100.0			119,060	100.0		

SALES AND DISTRIBUTION

The Group is active in both the midstream and downstream segments of China's heat-generating materials and products industry value chain. In the midstream segment, the Group specializes in the research, development, and in-house production of graphene-based heating films. This expertise is embodied in the Hua Chen brand, which supplies high-performance, flexible heating films to industrial clients such as factories and construction companies. These films are then integrated into end products including floor heating systems and automotive parts.

Moving downstream, the Group utilizes subcontracting arrangements to manufacture a wide range of graphene-integrated terminal products, such as smart thermal clothing, sleeping bags, and seat cushions. These are marketed under the Fan Xi, Mei Shi Kang, and Die Lian Qing Feng brands, which focus on consumer markets through distribution sales. According to the industry value chain diagram referenced, the Group's core activities are centered in the production of graphene-based heating films, which comprise the majority of the new materials segment, as well as in the downstream consumer applications found in smart wearables, outdoor gear, healthcare products, and automotive components.

The table below sets forth the revenue contribution from our direct sales segment and distribution sales segment during the Track Record Period:

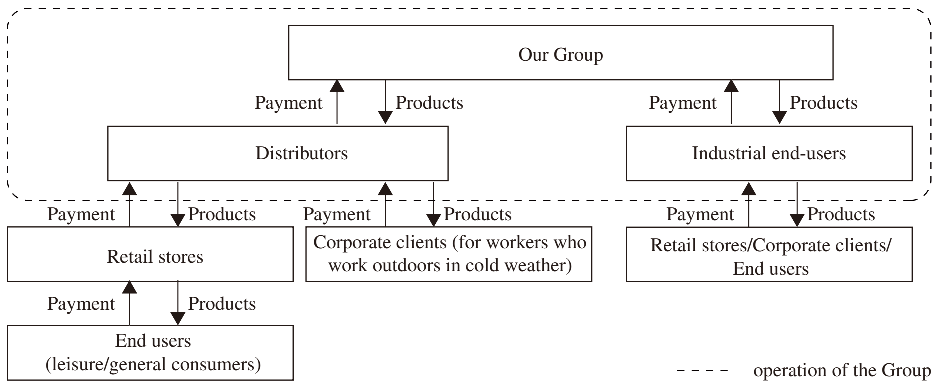
	FY2024			FY2025		
	(RMB'000)	*%*	*Sales Volume ('000 pieces)*	*(RMB'000)*	*%*	*Sales Volume ('000 pieces)*
Distribution sales	79,675	81.4	306	99,261	83.4	423
Direct sales	18,207	18.6	396	19,799	16.6	209
Total	97,882	100.0	702	119,060	100.0	632

Direct sales and distribution sales

Our sales team of direct sales focuses on the industrial applications of our films, working closely with clients to ensure integration of our materials into their manufacturing processes. In contrast, our distribution sales segment operates through a distribution network in Northeast China. As at the date of the document, we have 15 direct sales customers and 29 distributors. During the Track Record Period, the majority of our revenue was derived from the sales of our graphene-integrated thermal products through distributors in the PRC, all of whom were Independent Third Parties as at the Latest Practicable Date. We maintain a buyer/seller relationship with our distributors, and our distributors are our customers.

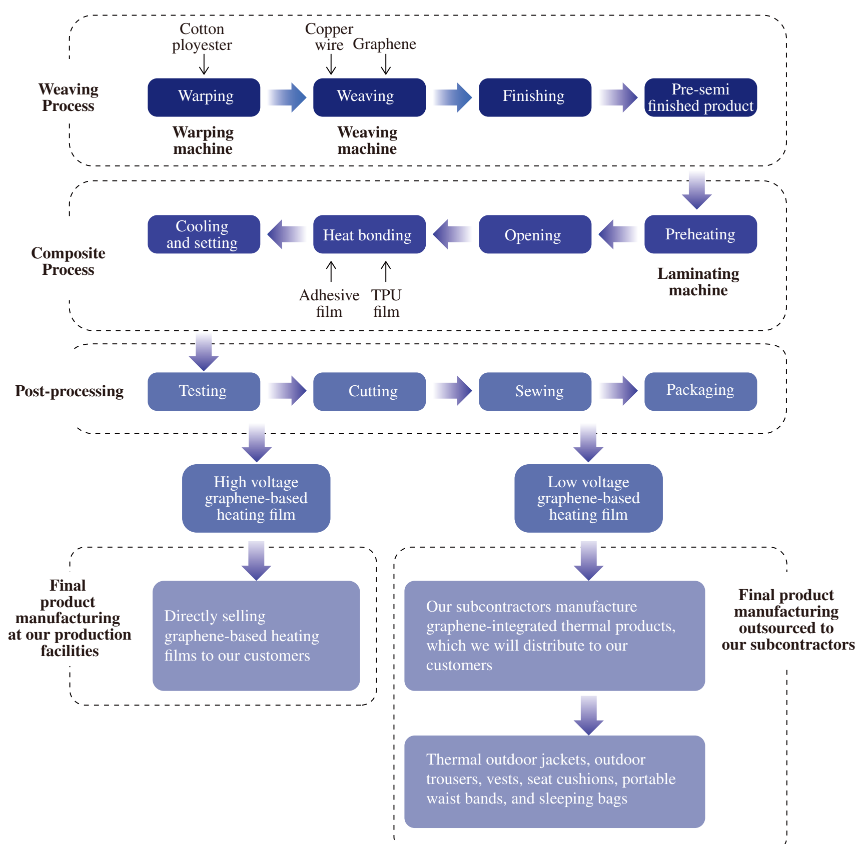
Sales and distribution mechanism

To manage our distribution network, our marketing staff work closely with our distributors. In particular, our marketing staffs (i) assist the distributors in achieving sales target; (ii) monitor their performances and inventory levels; and (iii) ensure that our products effectively penetrate target areas. Below we set out an illustrative diagram to explain the payment flow and product delivery flow between our Group, our distributors, and their downstream customers (such as retail stores and corporate clients).



PRODUCTION

We produce graphene-based heating films at our production facilities located in the Advanced Manufacturing Industrial Park, Changchun International Logistics Economic Development Zone, south of Yingtai Avenue and west of Yingjun West Street, Erdao District, Changchun City. The following flow chart summarises the key steps to produce our graphene-based heating films and graphene-integrated thermal products:



During our final product manufacturing stage, for our direct sales segment under the Hua Chen brand, the processed graphene-based heating film completes its production process at this stage. These films are packaged as final products and sold directly to manufacturers or construction companies, who then incorporate our films into their own products such as housing heating systems and automotive parts. For our distribution sales segment, operating under the Fan Xi, Mei Shi Kang, and Die Lian Qing Feng brands, the production process continues through our subcontractors. As our Company specializes in graphene-based heating films production, we normally engage subcontractors with specialized facilities for consumer product manufacturing. Once manufacturing is completed, all finished products are returned to our facility for inspection and quality control before distribution through our retail network.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths have positioned our Group competitively in the new heat-generating materials industry and contributed significantly to our success: (i) business development in new heat-generating materials and related products; (ii) diversification of product portfolio through multi-brand strategy and technological applications; (iii) production capabilities emphasizing product quality control; (iv) R&D capabilities and continuous innovation; and (v) experienced management.

BUSINESS STRATEGIES

Our business objective is to develop graphene-based materials and products to provide efficient and uniform heating solutions for different applications, including consumer and industrial uses. We aim to achieve this by pursuing the following strategies: (i) expanding production capacity to meet growing market demand; and (ii) enhancing technological innovation and product development.

MAJOR CUSTOMERS AND SUPPLIERS

Our customers

For FY2024 and FY2025, total sales to our Group's five largest customers in each year accounted for approximately 53.8% and 46.4% of our total revenue for the respective years while sales to our single largest customer accounted for approximately 13.1% and 10.1% of our total revenue for the respective years. We confirm that, as at the Latest Practicable Date, all our five largest customers in each year during the Track Record Period were Independent Third Parties and none of our Directors or their close associates or our existing Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year during the Track Record Period. In 2025, four of the five largest customers of the year were distributors of our graphene integrated thermal products, while the third largest customers was a customer of our graphene-based heating films.

Our suppliers

For FY2024 and FY2025, purchases from our five largest suppliers in each year accounted for approximately 87.6% and 87.9% for the respective years of our total purchases for the corresponding year. In both FY2024 and FY2025, our two largest suppliers in that year were enterprises providing subcontracting services, and the remaining three largest suppliers were enterprises from which we purchased raw materials, including graphene and TPU film. Purchases from our single largest supplier accounted for approximately 42.8% and 43.9% of our total purchases for the respective year. We confirm that, as at the Latest Practicable Date, all of our five largest suppliers in each year were Independent Third Parties and none of our Directors or their close associates or our existing Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

Our market position

The market for new heat-generating materials and products in China is highly fragmented, with over 50,000 participants recorded in 2025. In the materials segment, the top five players together accounted for around 0.7% of total revenue, while in the products segment, the top five held approximately a market share of 1.7%. Within this context, the Group ranked second in China's new heat-generating materials market in 2025, with revenue of approximately RMB23 million, representing about a market share of 0.2%. The sector is primarily made up of small and medium-sized enterprises, with the largest company holding only a market share of 0.2%. In the products market, the Group ranked first nationwide, with revenue of RMB96 million and a market share of 0.6%.

Key competitors include Company C, which leads the market with a focus on graphene heating technology for consumer goods and revenues of RMB35 million from products and RMB17 million from materials. Other significant players are Company B, known for electric floor heating and clean heating solutions, and Company E, known for a diversified portfolio that includes graphene films, electronic products, chemical products, etc.

The Group distinguishes itself through a production model that combines in-house manufacturing of graphene-based heating films with subcontracted assembly for consumer products, enhancing both cost efficiency and scalability. Our research and development strength is supported by a portfolio of four utility model patents, one invention patent with another pending, and recognition as a "High and New Technology Enterprise" as of November 2024. Collaborations with leading universities further drive product innovation. The Group's diversified brand portfolio targets various market segments, and its distribution network includes twenty-two distributors and a dedicated marketing team, providing strong coverage in Northeast China. Rigorous quality control is maintained through comprehensive in-house inspection of all products prior to distribution.

The Group has continued to grow, with revenue rising from approximately RMB97.9 million in FY2024 to RMB119.1 million in FY2025. This represents a year-on-year increase of 21.6%, reflecting the Group's growing market acceptance and the effectiveness of its business strategy.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth a summary of financial information for the year indicated, which have been extracted from the Accountants' Report in Appendix I to this document.

	FY2024	FY2025
	RMB'000	*RMB'000*
Revenue	97,882	119,060
Cost of sales	(59,082)	(69,123)
Gross Profit	38,800	49,937
Selling and distribution expenses	(1,643)	(3,484)
Administrative and other operating expenses	(7,872)	(9,146)
Finance costs	(108)	(338)
[REDACTED]	**[REDACTED]**	**[REDACTED]**
Profit before tax	**[REDACTED]**	**[REDACTED]**
Income tax credit/(expense)	(6,475)	(4,926)
Profit for the year	17,110	21,200
Other comprehensive (loss)/income for the year	(1)	262
Total comprehensive income for the year	**[REDACTED]**	**[REDACTED]**

In FY2024, our Group recorded a total revenue of approximately RMB97.9 million, which increased to RMB119.1 million for FY2025, representing an increase of approximately 21.6%. Such increase was primarily attributable to the growth in our distribution sales, which grew from approximately RMB79.7 million (representing 81.4% of total revenue) in FY2024 to RMB99.3 million (representing 83.4% of total revenue) in FY2025. Meanwhile, our direct sales recorded an increase from approximately RMB18.2 million (representing 18.6% of total revenue) in FY2024 to RMB19.8 million (representing 16.6% of total revenue) in FY2025. The increase in revenue contributed by distribution sales demonstrates an increasing demand in our graphene-integrated thermal products, which continue to constitute a significant portion of our total revenue in FY2025 as compared to FY2024.

The table below sets forth a breakdown of our cost of sales for the year indicated:

	FY2024		**FY2025**	
	RMB'000	*%*	*RMB'000*	*%*
Subcontracting fees	45,338	76.7	55,525	80.3
Direct raw materials costs	9,354	15.8	7,141	10.3
Direct labor costs	2,056	3.5	2,003	2.9
Production overhead	2,334	4.0	4,454	6.5
Total	59,082	100.0	69,123	100.0

Selected items of the combined statements of financial position

	As at 31 December 2024	**As at 31 December 2025**
	RMB'000	*RMB'000*
Non-current assets	9,218	9,578
Current assets	44,875	80,595
Non-current liabilities	2,453	1,890
Current liabilities	22,982	38,163
Net current assets	21,893	42,432
Net assets	28,658	50,120

For details, please refer to "Financial Information — description and analysis of selected items of our combined statements of financial position".

Selected items of the combined statements of cash flows

	FY2024	**FY2025**
	RMB'000	*RMB'000*
Net cash from operating activities	19,121	2,104
Net cash used in investing activities	(6,432)	(2,218)
Net cash from financing activities	8,396	6,375
Net increase in cash and cash equivalents	21,085	6,261
Cash and cash equivalents at the beginning of the year	2,016	23,100
Effect of exchange difference	(1)	—
Cash and cash equivalents at the ending of the year	23,100	29,361

For details, please refer to "Financial Information — Liquidity and capital resources".

Key financial ratios

The following sets out our key financial ratios for the years and as at the dates indicated.

	As at 31 December 2024/FY2024	As at 31 December 2025/FY2025
Profitability		
Gross profit margin	39.6%	41.9%
Net profit margin	17.5%	18.0%
Return on equity	59.7%	42.8%
Return on total assets	31.6%	23.8%
Liquidity		
Current ratios	2.0 times	2.1 times
Quick ratios	1.8 times	2.0 times
Capital sufficiency		
Gearing ratio	13.8%	15.8%
Net debt to equity ratio	N/A	N/A[10]
Interest coverage ratio	159.4	63.7

The table below sets forth the gross profit and gross profit margin by sales channel and product category for the year indicated.

	FY2024		FY2025	
	Gross profit (RMB '000)	*Gross profit margin (%)*	*Gross profit (RMB '000)*	*Gross profit margin (%)*
By sales channel				
Distribution sales	31,258	39.2	40,052	40.4
Direct sales	7,542	41.4	9,885	49.9
Subtotal	38,800	39.6	49,937	41.9
By product category				
Graphene-integrated thermal products				
Smart thermal clothing	19,107	40.0	16,059	41.1
Personal relaxation products	4,273	37.3	6,002	37.5
Travel and outdoor products	7,878	38.5	17,991	40.7
Subtotal of graphene-integrated thermal products	31,258	39.2	40,052	40.4
Graphene-based heating films	7,542	41.4	9,885	49.9
Total	38,800	39.6	49,937	41.9

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and taking into no account of the Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), Hengfu Technology which is wholly owned by Ms. Li will hold approximately **[REDACTED]**% of the issued share capital of our Company. Accordingly, Ms. Li and Hengfu Technology are regarded as a group of Controlling Shareholders under the GEM Listing Rules. For further details, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

PRE-[REDACTED] INVESTMENT

Pursuant to the capital increase agreement dated 28 May 2024 entered into among Ms. Li, Dingtai HK (the then indirect wholly-owned investment holding vehicle held by Ms. Tanaka Koran) and Jilin Huachen, Dingtai HK made a capital contribution of RMB300,000 to Jilin Huachen in the consideration of the subscription for 1% equity interest in Jilin Huachen. To reflect the investment of Dingtai HK at our Company level and as part of the Reorganisation, pursuant to the sale and purchase agreement dated 10 December 2024, Ms. Tanaka Koran, through Hengtai Invest (the direct wholly-owned investment holding vehicle of Ms. Tanaka Koran), transferred one share of Hengyi BVI, representing the entire issued share capital of Hengyi BVI, to our Company in consideration of the allotment and issue of one Share in our Company to Hengtai Invest. Upon completion of the aforesaid transfer on 10 December 2024, Ms. Tanaka Koran, through Hengtai Invest, holds 1% of the issued share capital of our Company, and each of Hengyi BVI and Dingtai HK has become a wholly-owned subsidiary of our Company. For further details of the Pre-**[REDACTED]** Investment, please refer to the subsection headed "History, Reorganisation and Corporate Structure — Pre-**[REDACTED]** Investment" in this document.

RECENT DEVELOPMENTS

Our business model, revenue structure, and cost structure have maintained consistency subsequent to the Track Record Period. According to our unaudited financial information for the first three months of 2026 (January to March 2026), our Group has recorded sales of no less than approximately RMB23.7 million, representing an increase of 16.6% from the same period in 2025, with revenue contributions across our product segments as follows: (i) travel and outdoor products of no less than RMB4.9 million; (ii) smart thermal clothing of no less than RMB9.2 million; (iii) graphene-based heating films of no less than RMB4.9 million; and (iv) personal relaxation products of no less than RMB5.2 million.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that since 31 December 2025, being the date of the latest combined financial information of our Group, and up to the date of this document, there has been no material adverse change in our business model, financial or trading position, and prospects of the overall new-heat-generating materials industry. We also confirm that there have been no events since 31 December 2025 which would materially affect the financial information shown in the Accountants' Report, the text of which is set out in Appendix I to this document.

[REDACTED]

The **[REDACTED]** comprises: (i) the **[REDACTED]** of **[REDACTED]**; and (ii) the **[REDACTED]** of **[REDACTED]**, subject to **[REDACTED]** on the basis as described in "Structure and Conditions of the **[REDACTED]**". The following table sets out certain **[REDACTED]** related data, assuming the **[REDACTED]** has been completed:

	Based on the low end of the indicative [REDACTED] range of HK$[REDACTED] per [REDACTED]	**Based on the high end of the indicative [REDACTED] range of HK$[REDACTED] per [REDACTED]**
[REDACTED] of our Shares(2)	HK$**[REDACTED]**	HK$**[REDACTED]**
[REDACTED] adjusted combined net tangible assets attributable to owners of the Company per Share(3)	**[REDACTED]**	**[REDACTED]**

Notes:

(1) All statistics in this table are on the assumption that the **[REDACTED]** is not exercised and no Shares are issued pursuant to the exercise of the options which may be granted under the Share Option Scheme.

(2) The calculation of **[REDACTED]** is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]**.

(3) The **[REDACTED]** adjusted combined net tangible assets of attributable to owners of the Company per Share is calculated after making the adjustments referred to in "Appendix II — **[REDACTED]** Financial Information."

DIVIDENDS AND DIVIDEND POLICY

No dividends were paid or declared to the then equity owners of the entities now comprising our Group during the Track Record Period. We do not have any predetermined dividend payout ratio. Our Board has absolute discretion as to whether to recommend any dividend payment for any financial year end and if any, the amount of dividend and the means of payment. Such discretion is subject to the applicable laws and regulations including the Companies Act and the Articles which also requires the approval of our Shareholders. For details, please refer to the subsection headed "Financial Information — Dividends".

[REDACTED]

Our estimated **[REDACTED]** primarily consisted of **[REDACTED]** fees and **[REDACTED]** as well as legal and professional fees in relation to the **[REDACTED]**. Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** range stated in this document, the **[REDACTED]** to be borne by our Company are estimated to be approximately HK$**[REDACTED]** million (representing approximately **[REDACTED]**% of the total gross **[REDACTED]** from the **[REDACTED]**), of which (i) approximately HK$**[REDACTED]** million is to be accounted for as a deduction from equity; (ii) approximately HK$**[REDACTED]** million and approximately HK$**[REDACTED]** million was recognised in our combined statement of profit and loss and other comprehensive income for FY2024 and FY2025, respectively; and (iii) approximately HK$**[REDACTED]** million is expected to be recognised in our combined statement of profit or loss and other comprehensive income for FY2026. The aforementioned total estimated **[REDACTED]** (based on the mid-point of the **[REDACTED]** range stated in this document and assuming that the **[REDACTED]** is not exercised) in relation to the **[REDACTED]** includes (i) **[REDACTED]** expenses (including but not limited to **[REDACTED]** fees and **[REDACTED]**) of approximately HK$**[REDACTED]** million; and (ii) non-**[REDACTED]**-related expenses of approximately HK$**[REDACTED]** million, which can be further categorised into (a) fees and expenses of legal advisors and reporting accountants of approximately HK$**[REDACTED]** million; and (b) other fees and expenses of approximately HK$**[REDACTED]** million.

Our Directors would like to emphasise that the amount of the **[REDACTED]** is a current estimate for reference only and the final amount to be recognised in our combined financial statements for FY2026 is subject to adjustment based on audit and the then changes in variables and assumptions.

USE OF [REDACTED]

We estimate that the aggregate **[REDACTED]** to our Company from the **[REDACTED]** (after deducting **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]** payable by us and assuming that there is no exercise of the **[REDACTED]** and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range stated in this document) will be approximately HK$**[REDACTED]** million. We currently intend to apply such **[REDACTED]** for the following purposes: (a) approximately **[REDACTED]**%, or HK$**[REDACTED]** million will be used for purchasing new production equipment and machinery and leasing new factories and warehouse to expand our production capacity. The breakdown of the intended use of **[REDACTED]**: (i) approximately **[REDACTED]**% or HK$**[REDACTED]** million will be used for purchasing production equipment; and (ii) approximately **[REDACTED]**%, or HK$**[REDACTED]** million will be used for leasing new factories and warehouses; (b) approximately **[REDACTED]**%, or HK$**[REDACTED]** million will be used for research and development of new products and material performance improvement; (c) approximately **[REDACTED]**% or HK$**[REDACTED]** million will be used for working capital and other general corporate purposes.

Please refer to the section headed "Future Plans and Use of **[REDACTED]**" in this document for details.

SUMMARY OF MATERIAL RISK FACTORS

There are certain risks involved in our operations which may be beyond our control, including (i) reliance on key suppliers could disrupt operations and financials; (ii) significant reliance on a small number of major customers creates concentration risk and could materially impact revenue and profitability; (iii) we operate in a highly competitive and fragmented industry, and our failure to effectively compete against current or potential competitors could adversely impact our business, financial condition, and results of operations; (iv) risk of product defects and potential product liability claims could result in significant costs, damage to our reputation, and adversely impact our business, financial condition, and results of operations; and (v) risk of trademark infringement and potential challenges in protecting our intellectual property could diminish our brand value, impair our competitive position, and adversely affect our business, financial condition, and results of operations. Please refer to the section headed "Risk Factors" for details.