***The* [REDACTED] *and the* [REDACTED] *in our Shares involve certain risks. You should carefully consider all the information set out in this document, including, but not limited to, the risks and uncertainties described in the following risk factors when considering making an* [REDACTED] *in our Shares being* [REDACTED] *in the* [REDACTED]*. Our business, results of operations and financial condition may be adversely affected by any of the risks and uncertainties described below. The* [REDACTED] *of our Shares may decline due to any of these risks and uncertainties and you may lose all or part of your* [REDACTED].**

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our revenue during the Track Record Period was primarily driven by a concentrated group of customers, the majority of which are large retailers in the U.S.. Accordingly, our business is exposed not only to customer concentration risk but also to risks affecting the U.S. retail market, including changes in consumer demand, economic conditions, trade policies and tariff measures. Any reduction in orders, delay or cancellation of purchases, non-renewal of contracts, or failure by such customers to perform their contractual obligations may materially and adversely affect our business, financial condition and results of operations.

Our ability to maintain our current level of profitability depends on our continued success in retaining existing customers. In 2023, 2024 and 2025, our revenue from the top five customers in each period during the Track Record Period was HK$345.7 million, HK$449.1 million and HK$466.0 million, respectively, accounting for 96.7%, 94.7% and 92.9% of our total revenue during the respective periods. During the same periods, our revenue from the largest customer for the respective periods was HK$185.6 million, HK$266.5 million and HK$190.6 million, respectively, accounting for 51.9%, 56.2% and 38.0% of our total revenue during the respective periods. For details, please refer to the section headed "Business — Major Customers and Suppliers — Our Customers" in this document.

In addition, because a substantial portion of our revenue is generated from customers located in the United States, changes in U.S. trade policies, tariffs and other geopolitical developments may directly or indirectly affect purchasing decisions, inventory management strategies and sourcing arrangements of our major customers. As disclosed in "Business — U.S. Tariff and Gardening Exemption", although we did not incur direct additional tariff costs during the Track Record Period, tariff-related uncertainties contributed to certain customers adopting a more cautious replenishment pace during the first half of 2025, resulting in selective order deferrals and changes to delivery schedules. There can be no assurance that future tariff developments will not adversely affect customer demand for our products or our operating results.

We cannot assure you that our major customers will not diversify their suppliers, change their business scope or business model nor suspend their operation, or they will not encounter any operating or financial difficulties. In addition, the end markets where our customers operate are evolving. Their ability to sustain success in these dynamic environments will influence their demand for our offerings. Any material adverse changes in the business, operation and financial condition of our major customers may in turn have a material adverse effect on us. In addition, there is no assurance that we could retain our existing customers as we did during the Track Record Period. If we fail to retain our existing customers in the future because our products could not meet the requirements of the market, or that our selling prices are not competitive, or due to other factors as disclosed in this section of this document, our business, financial condition and results of operations will be adversely affected.

The expansion and profitability of our business depend on the level of consumer demand and discretionary spending, which could be greatly affected by factors such as economic downturn and inflation globally.

The success of our business depends, to a significant extent, on consumer demand and discretionary spending in the markets where we sell our products. Numerous external factors beyond our control can influence the level of consumer demand and discretionary spending on our products. These factors include general economic conditions, inflationary pressures, consumer disposable income, recession concerns, unemployment rates, disease outbreaks, availability of consumer credit, consumer debt levels, interest rates, sales tax rates and increases, and consumer perceptions of personal well-being and security. Reduced consumer confidence and spending cutbacks can lead to a decrease in demand for our products, adversely affecting our results of operations and financial condition.

In particular, since the COVID-19 outbreak, the global economy has faced significant challenges, including disruptions across industries and supply chains, inflationary pressures in many countries and ongoing volatility in global markets. Any extended global economic downturn could lead to decreased discretionary spending in the geographic markets where we operate, causing consumers to reduce their purchases from us. As a result, we may have difficulty maintaining or expanding our revenue or customer base, which could have a material and adverse effect on our business, results of operations, and financial condition.

Our success is dependent on the continued popularity of our products, successful launches of new products, and our ability to anticipate and respond to changes in consumer preferences in a timely manner.

We cannot guarantee the continued popularity of our decorative gardening products. The success of our business depends on our ability to consistently offer appealing products that align with consumer preferences. However, consumer preferences can be influenced by factors such as demographics, social trends, economic conditions, and competitor strategies. In particular, consumers around the world are exposed to more cross-cultural designs, leading to changes in esthetic taste. This has further diversified the demand for decorative gardening products. As a result, our offerings may experience shifts in popularity over time due to these changing consumer preferences. A resurgence in home-centric lifestyles, driven by health and wellness movements, is encouraging consumers to invest more in their living environments. This trend could heighten demand for innovative decorative gardening products that promote relaxation, mindfulness, and connection with nature. Similarly, the rise of compact urban living has led to a preference for minimalist and space-efficient decorative gardening solutions. Growing environmental awareness is also influencing consumers to incorporate more greenery into their surroundings, increasing the appeal of sustainable and plant-based decorations. Consequently, our ability to stay informed about emerging consumer preferences and proactively anticipate product trends is essential to maintaining our competitive edge and ensuring continued growth. However, there is no guarantee that our current product range will remain popular or that we can continue to provide products that swiftly adapt to changing consumer preferences. Any failure in this regard may have a negative impact on our prospects and results of operations.

Furthermore, our efforts to launch new products may not always be successful. We continuously introduce new decorative gardening products with the aim of adapting to evolving consumer preferences and keeping consumers engaged. We devote significant resources to product design and development, facilitated by our product design and develop team with extensive experience in this field, as well as our sales and operations team who offers valuable insights through market research and customer feedback. This comprehensive process for developing a new product, including steps such as conducting comprehensive market research to understand the specific needs of consumers, demands substantial resources. Despite our efforts, there is no assurance that our new products will always have designs that universally appeal to consumers. As a result, we may spend substantial resources developing new products that fail to achieve expected sales levels.

In addition, introducing new products in new markets carries inherent market risks, including uncertainties regarding marketing and consumer preferences. When expanding into new markets, our initial lack of understanding of local cultures and lifestyles may pose challenges in launching products that resonate with the local consumers. Failing to anticipate and respond to these preferences can have adverse effects on our sales performance and profitability.

Our financial performance may be affected by fluctuations in the price of raw materials and we may not be able to pass on the increase in raw materials cost to our customers.

We procure resin used in the production of our decorative gardening products directly from our raw materials suppliers. For the years ended December 31, 2023, 2024 and 2025, the total costs in raw materials amounted to HK$94.5 million, HK$117.1 million and HK$117.4 million respectively, which accounted for 60.0%, 61.0% and 55.3% respectively of our total cost of sales for the same periods. The price of resin is subject to factors beyond our control such as market demand, global economic conditions and government policies. Please refer to the section headed "Financial Information — Key Factors Affecting Our Results of Operations — Fluctuations in the Prices of Raw Materials" in this document for further information on the fluctuation of our major raw materials price during the Track Record Period. During the Track Record Period, the average market price of resin fluctuated in line with broader petrochemical market trends. According to the CIC Report, the average market price of resin was approximately RMB7,850 per ton in September 2023 and decreased to approximately RMB7,500 per ton in 2024, representing a decrease of approximately 4.5%. The average market price further decreased to approximately RMB6,700 per ton in 2025, representing a decrease of approximately 10.7% compared to 2024. Correspondingly, our average procurement cost of resin fluctuated from approximately RMB4,030 per ton in 2023 to RMB3,820.0 per ton in 2024 (a 5.2% change) and to RMB3,750.0 per ton in 2025 (a 1.8% change compared to 2024). As of the Latest Practicable Date, we did not have any hedging arrangements against fluctuations in prices of raw materials. If we cannot pass on the increase in the costs of raw materials to our customers, our business, financial conditions and operation results may be materially and adversely affected.

Risks Relating to Potential Acquisitions

We may pursue acquisitions or strategic investments, including the potential acquisition currently under consideration, which involve inherent risks and uncertainties. There can be no assurance that any such transaction will be completed or, if completed, that it will achieve the anticipated strategic or financial benefits.

The valuation of a target business is typically based on assumptions regarding future revenue growth, profitability, cost structure, customer retention, market conditions and potential synergies. If such assumptions prove inaccurate or market conditions change, we may not realize the expected return on investment and may be required to recognize impairment losses on goodwill or other acquired assets. In addition, the integration of an acquired business may present operational, financial and cultural challenges. We may encounter difficulties in aligning internal controls, supply chains, information systems, management teams and corporate culture. Anticipated synergies, cost savings or revenue enhancements may not materialize within the expected timeframe or at all.

An acquisition may also divert management attention, increase our financial leverage if debt financing is used, or dilute existing shareholders if equity is issued. Furthermore, completion of any acquisition may be subject to regulatory approvals or other closing conditions, which may delay or prevent completion.

If any of these risks materialize, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Fluctuations in currency exchange rates may lead to volatility in our results of operations.

Our sales outside Hong Kong are conducted in the local currencies of the respective countries or regions. We convert these foreign currencies into Hong Kong dollars from time to time. This process exposes us to the risk arising from fluctuations of Hong Kong dollars relative to other currencies. Any appreciation or depreciation of Hong Kong dollars against foreign currencies could result in gains or losses from foreign currency conversion transactions. Moreover, we prepare our consolidated financial statements in Hong Kong dollars for reporting purposes. Assets and liabilities denominated in foreign currencies, such as the U.S. dollar and Renminbi, are translated into Hong Kong dollars amounts at the exchange rate effective at the end of the reporting period. This translation process can lead to recognized gains or losses in our statement of profit or loss, directly affecting our results of operations. During the Track Record Period, we recorded net exchange gains of HK$1.6 million for the year ended December 31, 2023, net exchange gains of HK$2.8 million for the year ended December 31, 2024, and net exchange loss of HK$1.9 million for the year ended December 31, 2025 respectively. There is no assurance that movements in currency exchange rates will be favorable to us. Fluctuations in currency exchange rate that are unfavorable to us may result in our consolidated financial statements reflecting significant adverse period-over-period changes, which could adversely affect our results of operations. In addition, to manage our exposure to exchange rate risk, we may need to enter into hedging arrangements and incur relevant costs from time to time. However, there is no assurance that we will be able to mitigate the risk of foreign exchange loss through these arrangements effectively or at reasonable cost.

Uncertainty in global trade environment, geopolitical and armed border conflicts, could materially and adversely affect our results of operations and financial condition.

The United States and other jurisdictions have implemented various trade measures, including but not limited to tariffs, economic sanctions, and trade restrictions, which directly or indirectly affect export markets in the PRC. These measures, coupled with potential retaliatory actions, could result in disruptions to established trade relationships and supply chains. We cannot predict the interpretation or implementation of trade policies by the United States or other major economies, nor can we assure you that future changes in international trade relationships will not adversely affect the export market position of the PRC.

In addition, our manufacturing operations are exposed to geopolitical risks in Southeast Asia, particularly armed border conflicts between Cambodia and Thailand, where ongoing territorial disputes and intermittent military skirmishes have historically disrupted regional stability. Any escalation of these tensions may lead to factory shutdowns, workforce displacement, transportation delays or increased security costs.

Given our significant reliance on export sales, any deterioration in China's trade relationships resulting from these international uncertainties could materially and adversely affect our business operations, financial condition and results of operations. There can be no assurance that we will be able to effectively mitigate the impacts of such geopolitical and trade-related risks or successfully develop alternative markets to maintain our revenue levels.

Our products that are shipped to the U.S. benefit from certain tax exemption regime, which may be changed in the future. In such event, these customers' operations may be negatively affected, and in turn affect our revenue generated from these customers.

During the Track Record Period, since the commencement of our business operations, our decorative gardening products are qualified under tariff exemption applicable to machinery, equipment and implements used for agricultural or gardening purposes (the "**Gardening Exemption**"). As a result, our decorative gardening products exported to the U.S. have not been subject to additional tariffs imposed on Chinese imports, nor to additional tariffs under Section 301 of the U.S. Trade Act of 1974 or other supplementary U.S. tariff measures. Accordingly, we did not incur additional tariff related costs during the Track Record Period, and there was no direct quantitative impact on our revenue, gross margin or profitability arising from U.S. tariff imposition. The Gardening Exemption enables our products to be set at a competitive price, as compared to similar products produced with ceramics, when imported into the U.S.. Notwithstanding the absence of any historical tariff impact, a significant portion of our revenue is derived from sales to customers in the United States, and the continued applicability of the Gardening Exemption remains commercially important to our pricing competitiveness and margin profile. For further details, including the basis of the advice of our U.S. legal counsel, potential tariff exposure and sensitivity analyses, please refer to "Business — U.S. Tariff and Gardening Exemption".

For our cross border sale, the number of decorative plastic gardening products delivered to the U.S. by us during the Track Record Period amounted to 100% of the total number of products delivered to the U.S. by our Group. As a result, the corresponding revenue generated from products delivered to the U.S. during the Track Record Period was generated from products under the Gardening Exemption. The revenue derived from customers in the U.S. were HK$339.0 million, HK$443.8 million, HK$469.0 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 94.8%, 93.5% and 93.5% of our total revenue in corresponding periods.

Our business and prospects, however, are potentially vulnerable to changes in the Gardening Exemption. These policies may shift particularly if the economic relations between the PRC and the United States deteriorate materially. In recent years, there have already been steps taken by U.S. government to impose restrictions on trade with the PRC, affecting areas such as import tariff. Any further escalation in these trade tensions could negatively impact our sales into the United States, whether through increased tariffs, duties, export controls, restrictions on market access, or other measures. Consequently, our business, results of operations and financial condition may be adversely affected.

We face intense competition in various geographic markets where we operate and if we are unable to compete successfully, our business, results of operations, and financial condition could be materially and adversely affected.

The decorative gardening industry in various geographic markets where we operate is highly competitive. Whether in the U.S. or other overseas markets, we face competition from local businesses, including well-established players in the industry.

To maintain our market share and a competitive edge, we are committed to continuously offering quality products at competitive prices, supported by effective cost control measures. However, if we fail to effectively implement these cost-effective measures, we may be unable to offer competitive prices to gain an advantage and, consequently, our business and results of operations may be adversely affected. In addition to cost controls, we allocate significant resources to product design and development to remain competitive. However, the success of our new product offering is not guaranteed. External factors beyond our control, such as changes in consumer preferences, household incomes, and technological advancements, can influence the popularity of our existing and newly launched products. We cannot guarantee the commercial success of our innovation efforts, and there is a possibility that our new products may not achieve the desired outcomes. Failing to continuously introduce innovative products at competitive prices could potentially diminish the appeal of our offerings, thus impeding our business growth.

Furthermore, if our competitors continued to innovate their products and expand their business operations and market shares, we may not be able to maintain our competitiveness and continue our market growth. According to the CIC Report, the market size of certain geographic regions may not grow as much compared to other geographic regions. If any of our competitors aggressively expand their sales network internationally or successfully increase their sales in these regions, we may not be able to increase our sales in the same rate as our competitors. In addition, if we are unable to compete effectively leveraging competitive edges in pricing and product offering, we may not be able to maintain our current operating results, and our business prospects and future profitability could be adversely affected.

Expanding product offerings may expose us to new challenges and risks.

We aim to continuously expand our product range to meet evolving customer needs and preferences. This includes expanding our existing offerings as well as venturing into new categories like watering pot to further diversify our product range. However, such efforts may come with substantial risks and challenges. For instance, by expanding our product offerings to include a broader range of items, we may inadvertently increase complexity in inventory management and exert additional pressure on our procurement practice, requiring significant resources to predict and meet customer demand. Furthermore, a broader product range could result in higher return rates and increased consumer complaints, particularly if these new products do not meet the standards our customer have come to expect. Such issues, if not managed effectively, could lead to costly product liability claims and cause damage to our reputation and financial performance, undermining the customer-centric approach in our operation and expansion endeavors.

In particular, we may face various additional challenges when expanding into new product categories. We may fail to introduce products that align with shifts in customer preferences, or misjudge consumer demand for our new products, resulting in inventory buildup and costly inventory write-downs. Moreover, to gain market share in new product categories, aggressive pricing strategies might be required. Such strategies, while effective in attracting customers, could adversely impact our profitability. In addition to these market challenges, we may also encounter difficulties in sourcing and production processes that delay our product release and delivery. Furthermore, each new product may be subject to its own set of regulatory requirements, varying by jurisdictions and markets. Navigating this regulatory landscape can be both complex and costly. Failure to effectively manage these risks and challenges in the introduction of new products could have a material adverse effect on our business, results of operations, and financial condition.

Any quality issues associated with our products may expose us to potential liabilities, subject us to risks relating to result in lost customers and sales, product recalls and increased compliance costs, which could adversely affect our results of operations and financial condition.

Our commercial success depends on consistently delivering quality and reliable products. If the quality of any of our products deteriorates or fail to meet consumers' expectations, we may face customer complaints, return requests, or order cancelations. Various factors such as human oversight, limitations in identifying hidden defects, and a lack of control over the manufacturing processes, may result in potential failure in ensuring product quality. Please refer to the section headed "Business — Quality Control" in this document.

Any defects in our products could expose us to potential liabilities, such as product returns, or claims for damages. In addition, we may also be required by law to modify or introduce new return policies, especially in jurisdictions that prioritize consumer protection. While these policies can enhance customer experience and loyalty, they also bring additional costs and expenses that may not be fully offset by increased prices. This in turn could have a negative impact on our business, prospects, results of operations, and financial condition.

We may need to incur significant costs to address quality issues, including those related to product recalls. In the event of defective products, we could be compelled to recall our products and become subject to product liability claims, which may cause financial and reputational damage. Even if we ultimately prevail in defending against such claims, we may still incur substantial costs. Any quality issues of our product would have a negative impact on our sales, adversely affecting our results of operations and financial condition.

Our international operations are subject to a variety of costs and legal, regulatory, and economic risks.

During the Track Record Period, we derived all of our revenue from our international operations. As of the Latest Practicable Date, we sell most of our decorative gardening products in 4 geographic markets globally, which include the United States, Canada, Australia and Mexico. Compared to operating in the U.S., our principal market, conducting our business internationally, particularly in emerging markets and countries in which we have limited prior experience, subjects us to additional risks and challenges, including:

- negotiation with suitable retailer to effectively offer our products;
- operational challenges due to distance, language, and cultural differences;
- underdeveloped logistics and delivery to support the sales of our products;
- compliance with multiple and potentially conflicting laws and regulations governing various aspects of our operations, including competition, pricing, internet activities, transportation, logistics, tariffs, trade protection, and other activities important to our business;
- competition with existing players in the decorative gardening industry;
- varied levels of retailer coverage across regions;

- exposure to business cultures where improper business practices may be prevalent;
- difficulties in managing, growing, and staffing international operations;
- challenges in cultivating and maintaining productive relationships with local business partners, such as retailers;
- impact of import and export restrictions and changes in trade regulations;
- risks associated with legal systems subject to undue influence or corruption; and
- vulnerability to changes in specific country's or region's social, or economic conditions.

Our ability to maintain and expand our presence in the international market will be critical to the success of our business. However, there is no guarantee of this, and any of the aforementioned risks could pose significant challenges for us. If we are unable to manage one or more of these risks adequately, our results of operations and financial condition may be materially and adversely affected.

Failure to make adequate contributions for employee benefit plans may subject us to penalties.

Companies operating in the PRC are required to participate in certain statutory employee benefit plans, including social insurance and housing provident funds, alongside with others. Contributions to these plans are calculated as certain percentages of the employee salaries up to a maximum amount which varies as specified by local governments.

During the Track Record Period, certain of our PRC subsidiaries did not make social insurance and housing provident fund contributions in full amount for our employees as required by relevant PRC laws and regulations. During the Track Record Period, we had aggregate shortfalls in our mandatory contributions to social insurance and housing provident funds. Specifically, the shortfall in social insurance contributions amounted to approximately RMB2.3 million, RMB2.4 million and RMB3.1 million for the years ended December 31, 2023, 2024 and 2025, respectively. The shortfall in housing provident fund contributions amounted to approximately RMB0.9 million, RMB0.9 million and RMB1.3 million for the years ended December 31, 2023, 2024 and 2025, respectively. Under applicable PRC laws and regulations regarding social insurance, we may be required to make up the outstanding contributions and may be subject to late payment surcharges calculated at 0.05% per day of the overdue amount, and if we fail to make such payments within the prescribed time limits, subject to administrative fines ranging from one to three times the outstanding amount. In addition, for inadequate housing provident fund contributions, the Housing Provident Fund Administration Center may issue a demand for payment of the shortfall amount within a stipulated deadline. Failure to comply with this deadline could result in compulsory enforcement by a PRC court. Please refer to the section headed "Business — Legal Proceedings and Regulatory Compliance — Underpayment of Social Insurance and Housing Provident Fund" in this document.

As of the Latest Practicable Date, no demands for payment of shortfall amounts have been received from competent authorities by our Company. However, there is no guarantee that such demands or employee complaints regarding outstanding social insurance and housing provident fund contributions will not arise in the future. Non-compliance with these regulations could lead to rectification orders, fines, overdue charges, and other regulatory actions.

We may not be able to maintain profitability as expected.

We have maintained profit during the Track Record Period. Our revenue for the years ended December 31, 2023, 2024 and 2025 are HK$357.5 million, HK$474.5 million and HK$501.8 million respectively. However, there is no assurance that we can maintain profitability in the future. Our ability to do so depends on various factors, including the consistent sale of our existing products, the successful launches of our new products, the effective execution of our business strategies, the competitive landscape in various geographic markets where we operate, customer preferences, and the broader macroeconomic and regulatory environment. Moreover, we expect our cost of sales and operating expenses to increase as we continue to grow our business, diversify our product offerings, expand into new geographic markets, and invest in our technology infrastructure. While we may be able to sustain our revenue expansion, there remains the possibility that this growth may not occur at the projected rate, or, alternatively, it might prove inadequate to offset the rise in our cost of sales and operating expenses, thereby leading to a state of unprofitability.

We are subject to credit risk of our customers which may adversely affect our financial position, profitability, and cash flow.

We are subject to credit risk of our customers and our profitability and cash flow are dependent on our receipt of timely payments from our customers. If there is any delay or default in payment by our customers, our profitability, working capital, and cash flow may be adversely affected. There is no assurance that we will be able to collect all or any of our trade receivable in a timely manner, or at all. As of December 31, 2023, 2024 and 2025, our trade and other receivables amounted to HK$21.0 million, HK$35.5 million, and HK$100.4 million respectively. As of December 31, 2023, 2024 and 2025, our average trade receivables turnover days were 203 days, 162 days, and 159 days, respectively.

We made credit loss allowance for trade receivables of reversal of HK$221,000, HK$103,000 and HK$250,000 for the years ended December 31, 2023, 2024 and 2025, respectively. If any of our customers faces unexpected situations, such as financial difficulties or deterioration in credit worthiness, there may be challenges in collecting full or partial payments from them, and enforcing judgment debts against them could be difficult. These unforeseen circumstances may also render our judgments or estimations on credit loss allowances inaccurate, potentially resulting in higher losses than currently estimated.

Our acquisitions or investments may not be successful and we may face difficulties in integrating acquired businesses with our existing operations, which may have a material adverse effect on our business, results of operations, and financial condition.

In the future, we plan to selectively acquire companies in high-potential niche segments, like ceramic planters, that complement our existing business to drive sustained growth and strengthen our market position. Please refer to the section headed "Business — Our Development Strategies — Proactive M&A in High-Potential Segments" in this document for details. However, there can be no assurance that we will be able to execute this strategy successfully. We may face difficulty in identifying suitable acquisition opportunities, and even when suitable targets are identified, there is no certainty that we can complete the acquisition on terms acceptable to us, in a timely manner, or at all. Furthermore, acquisitions carry inherent risks and uncertainties, including, without limitation, ongoing financial commitments, unforeseen liabilities related to the acquisition target, failure to achieve the intended acquisition objective or benefits, and diversion of resources and management focus away from our existing business operations. Moreover, we may face difficulties in integrating acquired businesses into our existing operations. Our success in integration may be affected by a variety of factors, including, but are not limited to, the complexity and scale of the acquired businesses, risks involved in entering new markets, navigating unfamiliar regulatory regimes, differences in corporate cultures, inability to retain key personnel from the acquired company, and unforeseen costs related to the acquisition. Such difficulties could disrupt our business operations, divert our management's attention, and increase our operating expenses, all of which could materially and adversely affect our business, financial condition, and results of operations.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We own certain intellectual property, including our trademarks, all of which we regard as critical to our success. Please refer to the section headed "Appendix V — Statutory and General Information — Further Information about Our Business" in this document. In our efforts to protect these assets, we have sought intellectual property protection through filing for and obtaining patents for utility and designs. However, other filings of intellectual property rights may be time consuming and costly. There is no guarantee that we will be able to file our application at a reasonable cost, or our application will be timely approved. Moreover, there is always a risk of misappropriation of our intellectual property by a third party. Additionally, our intellectual property rights may be challenged by a third party or be declared invalid or unenforceable. If we are not able to adequately protect our intellectual properties, our competitors may offer products with similar designs or features, leading to a loss in our market competitiveness. This could adversely and materially affect our business, results of operations and financial conditions. In addition, we may be accused of infringing the intellectual property rights of others. We cannot guarantee that our operations or any aspects of our business do not, or will not, infringe upon or otherwise violate intellectual property rights held by third parties. There is no assurance that such challenges will not arise in the future. There could also be existing intellectual property of which we are not aware that our products may inadvertently infringe. If we are found to have violated the intellectual property rights of others, we may be subject to liabilities for our infringement activities, be prohibited from using such intellectual property, and may be required to pay licensing fees or develop alternative solutions. In addition, we may incur significant expenses, and may be forced to divert management's time and resources from our business operations to defend against these infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in substantial monetary liabilities and materially disrupt our business operations by restricting or prohibiting our use of the intellectual property in question. Consequently, our business, results of operations, and financial condition could be materially and adversely affected.

We could be adversely affected by violations of anti-corruption, anti-bribery, anti-money laundering, and financial and economic sanctions in various jurisdictions where we operate.

We are subject to anti-corruption, anti-bribery, and anti-money laundering laws in various jurisdictions where we conduct activities, including the U.S. Foreign Corrupt Practices Act, among others. Non-compliance with these laws could subject us to whistleblower complaints, negative media coverage, investigations, and severe administrative, civil, and criminal sanctions. Additionally, there might be collateral consequences, remedial measures, and significant legal expenses, all of which could materially and adversely affect our business operations and reputation. While we have internal policies in place to ensure compliance, we cannot assure you that there will be no violation by any of our shareholders, directors, officers, employees, agents, and other parties who act on our behalf.

Our operations across multiple jurisdictions make it challenging in ensuring compliance. We cannot provide any assurance that our future business will conform to the changing expectations and requirements of the authorities in the United States or any other jurisdictions. Our business and reputation could be adversely affected if the authorities in the United States or any other jurisdictions determine that any of our future activities constitutes a violation of the relevant regulations.

We may be subject to regulatory actions, legal proceedings, disputes, and other liabilities in our ordinary course of business.

In the course of our ordinary business operations, we may encounter regulatory actions, legal proceedings, or disputes. We may face liabilities from legal claims related to product liability, property damage, breach of contract, unfair competition, or other matters associated with our products or the way we conduct our business. These proceedings and claims may be initiated by our customers, suppliers, employees, business partners, governments, or regulatory bodies. The potential liabilities and expenses arising from any regulatory actions, legal proceedings, or disputes could have a material and adverse impact on our business and results or operations.

As our business continues to grow and we expand our product offerings, it is possible that we will encounter regulatory actions, legal proceedings, and disputes more frequently. Addressing these issues can be time-consuming and expensive, and may require significant attention from our senior management. In addition, law and regulations governing the decorative gardening industry, including those relating to product safety, consumer protection, advertising and competition, are subject to changes influenced by various factors beyond our control. These regulations may vary among the jurisdictions where we operate our business. Any regulatory actions, legal proceedings, or disputes against us may potentially damage our reputation, leading to negative publicity on us and affecting public perception on the industry as a whole. Consequently, this could negatively impact our business, prospects, results of operations, and financial condition.

Our insurance coverage is limited, which could expose us to significant costs.

We face various risks in connection with our business and maintain insurance policies to safeguard against these risks and unexpected events related to our operations, such as automobile insurance and property all risks insurance. However, there can be no assurance that our insurance coverage will be sufficient to cover all our risk exposures and prevent us from incurring losses. In addition, there is no guarantee that we will be able to successfully claim on our current insurance policies in a timely manner or at all, as the exclusions and limitations on coverage could prevent us from claiming against the insurers. If our insurance coverage is unavailable or insufficient to address any such exposures, we may face substantial costs and resources diversion, which, in turn, could materially and adversely affect our business, results of operations, and financial condition.

To address any environmental, social and governance risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage, and mitigate environmental, social, and corporate governance (ESG) risks, we may incur additional costs and expenses which could impact our financial performance. For instance, we acknowledge the potential environmental impact associated with sourcing our products. The manufacturing process of our contract manufacturers consumes a substantial amount of energy and exerts pressure on environmental protection efforts. As a result, to address this impact, we may need to prioritize sustainable practices throughout our supply chain, which may involve implementing energy-efficient measures and collaborating with our suppliers to explore the use of eco-friendly materials. This commitment may entail incurring substantial additional costs and potentially impact our profitability. Please refer to the section headed "Business — Environmental, Social and Governance" in this document.

In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and cost of sales may rise. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing products from other companies, which may materially and adversely affect our results of operations and financial conditions.

Any catastrophe, including outbreaks of health pandemics and other extraordinary events, could severely disrupt our business operations.

With operations in multiple countries, we face various risks and potential interruptions beyond our control. These risks may arise from catastrophes such as fires, earthquakes, hurricanes, floods, tornadoes, and other severe weather conditions. Additionally, we are exposed to risks related to pandemic outbreaks, global health emergencies, or terrorist acts. The unpredictable nature of these events makes it difficult to predict their frequency, timing, and severity. Any of these occurrences could have a material and adverse impact on our business operations and financial performance.

Furthermore, unforeseen events similar to catastrophes could increase the costs associated with our operations and reduce our ability to operate our businesses efficiently, leading to reduced operating income and profits. In addition, our contracts with customers and other counterparties may contain force majeure provisions that allow parties to suspend, terminate, or otherwise not perform their obligations under specific circumstances such as strikes, labor disturbances, government restraints, or civil disturbances. If one or more of our suppliers or other counterparties do not fulfill their contractual obligations for an extended period due to a force majeure event, our results of operations and financial condition could be materially and adversely affected.

Failure to comply with construction safety, production safety, administration of sewage discharge, health safety, environment protection, fire control and labor-related laws and regulations may subject us to fines or penalties or incur costs that could materially and adversely affect the success of our business.

We are subject to a variety of laws and regulations imposed by the government relating to construction safety, production safety, administration of sewage discharge, health safety, environmental protection, fire safety and other safety, such as obtaining environment protection acceptance for some of our sites and completing fire safety filing procedures. Failure to comply with the abovementioned laws, regulations and requirements applicable to our business may result in fines, suspension of operations, loss of licenses, and, in more extreme cases, criminal proceedings against us and our management. Any of these events may have an adverse impact on our business, results of operations and financial condition.

We may be subject to fines for failure to register some of our lease agreements.

As of the Latest Practicable Date, we entered into 9 lease agreements as the tenant in the PRC, one of which had yet to be registered with the relevant government authorities in accordance with PRC Law. As advised by our PRC Legal Advisor, the lack of registration of a lease will not affect its legality, validity or enforceability. However, we may be subject to fines ranging from RMB1,000 to RMB10,000 for each of such non-registered leases should we fail to register the lease agreements upon request by the relevant authority.

Our employees are subject to risks of serious injury or death caused by the use of manufacturing equipment and machinery.

We use heavy machinery and equipment in our productions, which are potentially dangerous and may cause industrial accidents and personal injury to our employees. Safety trainings we provide to our employees may not be effective to prevent accidents. Any significant accidents caused by the use of equipment or machinery could interrupt our production, damage our corporate image and result in legal and regulatory liabilities. Although we have in place work-related injury insurance and medical insurance, the insurance coverage may be inadequate to offset losses arising from claims related to such accidents. In addition, potential industrial accidents leading to significant property loss, personal injury or death may subject us to claims and lawsuits, and we may be liable for medical expenses and other payments to the employees and their families, as well as fines or penalties. As a result, our reputation, brand, business, financial condition, results of operations and prospects may be materially and adversely affected.

Our performance depends on favorable labor relations with our employees, and any deterioration in labor relations, shortage of labor, a material increase in wages and non-compliance with labor laws and regulations may have an adverse effect on our results of operation.

Our success depends on our ability to hire, train, retain and motivate our employees. We consider favorable labor relations as a significant factor that can affect our performance, and any deterioration of our labor relations could cause labor disputes, which could result in disruption of production and operations. Since the reform and opening up, the PRC has experienced rapid economic growth, which has resulted in significantly increased labor costs. Average labor wages are expected to increase. In addition, we may need to increase our total compensations to attract and retain experienced personnel required to achieve our business objectives. Any material increase in our labor costs may have an adverse effect on our results of operations.

Moreover, during the Track Record Period, we engaged labor subcontractors in the PRC to solve the increased workforce demands during the peak season.

We may face difficulties in completing our orders if we do not have sufficient workers. There is no assurance that the works undertaken by them will be completed in a timely manner or of satisfactory quality. If the workers fail to complete their works on time or if their works are not of acceptable quality, we may need to incur additional costs to engage other workers to complete the works or undertake remedial works, which may materially and adversely affect our results of operations and our reputation in the industry. There is also no assurance that we will be able to engage alternative labor subcontractors on commercially acceptable terms or at all.

Furthermore, pursuant to the Labor Contract Law and the Interim Provisions on Labor Dispatch implemented on March 1, 2014, dispatched labor is only intended to be a supplementary form of employment, the number of the dispatched workers used by an employer shall not exceed 10% of the employer's total labor force and the dispatched workers can only engage in temporary, ancillary or replaceable work. During the Track Record Period, we had hired dispatched workers from labor dispatch service providers from time to time and the number of dispatched workers may exceed 10% of the total number of our labor force. As of the Latest Practicable Date, the number of our dispatched workers as percentage of the total number of labor force was below the 10% threshold.

Even though we had not received any notice of warning or been subject to any administrative penalties or other disciplinary actions from relevant PRC authorities for the labor dispatched employment. If we decide to increase our number of dispatched workers in the future and are found to be in violation of the rules regulating dispatched contract workers, we may be subject to fines and penalties. Such penalties may adversely affect our business, results of operations and reputation. As the interpretation and implementation of the Labor Contract Law, the Interim Provisions on Labor Dispatch and other labor related regulations (the "**labor-related laws and regulations**") are still evolving, we cannot assure you that our employment practice do not and will not violate labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor-related laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

Regulatory requirements regarding data protection and information security are constantly evolving, the changes of which or any data protection and information security incidents may result in legal and financial exposures and reputation damage.

In connection with our operations, we collect limited personal information primarily about our workforce for human resources management. Therefore, we are subject to laws and regulations relating to the collection, storage, use, processing, transmission, retention, security and transfer of personal information and other data. Any improper handling of personal information or any other information security incidents, such as unauthorized access to our workforce database by hackers, could result in reputation damage and/or civil or regulatory liabilities that may have significant legal, financial and operational consequences.

Regulatory requirements regarding the data security and data protection are constantly evolving, of which the interpretation and application are also evolving and subject to change that may affect us. If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failures could damage our reputation, business, results of operations, financial performance and document and/or could lead to civil or regulatory liabilities. Complying with new laws and regulations could also cause us to incur substantial costs.

We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our Shareholders, and have a material adverse effect on results of operations and the value of your investment.

Under the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) and its implementation rules, an enterprise established outside of the PRC with "*de facto* management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "*de facto* management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts, and properties of an enterprise. In April 2009, the State Administration of Taxation, or SAT, issued the Circular of the State Administration of Taxation on Issues Relating to Identification of PRC-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance with the De Facto Standards of Organizational Management (《國家稅務總

局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or Circular 82, which was last amended in December 2017. Circular 82 provides certain specific criteria for determining whether the "*de facto* management body" of a PRC-controlled enterprise that is incorporated offshore is located in the PRC. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "*de facto* management body" in the PRC and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income. In addition, gains realized on the sale or other disposition of our Shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. However, it is unclear whether our non-PRC Shareholders would be able to claim the benefits of any tax treaties between their country of tax residence and China in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our Shares.

We rely on dividends and other distributions on equity paid by our subsidiaries to fund any cash and financing requirements we may have.

We are a holding company, and we will be dependent on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Any limitation on the ability of our subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

RISKS RELATING TO OUR SHARES AND THE [REDACTED]

There has been no prior [REDACTED] for our Shares, and the [REDACTED] of our Shares may be volatile.

Prior to the completion of the **[REDACTED]**, there has been no **[REDACTED]** for our Shares. There can be no guarantee that an **[REDACTED]** for our Shares will develop or be sustained after the completion of the **[REDACTED]**. The **[REDACTED]** is the result of negotiations among our Company, the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**), which may not be indicative of the **[REDACTED]** at which our Shares will be **[REDACTED]** following the completion of the **[REDACTED]**. The **[REDACTED]** of our Shares may drop below the **[REDACTED]** at any time after the completion of the **[REDACTED]**.

The **[REDACTED]** and **[REDACTED]** of our Shares may be highly volatile. Factors such as variations in our revenue, earnings and cash flows and announcements of new investments, strategic alliances and/or acquisitions, fluctuations in market prices for our decorative gardening products or fluctuations in market prices for comparable companies could cause the **[REDACTED]** of our Shares to change substantially. Any such developments may result in large and sudden changes in the **[REDACTED]** at which our Shares will **[REDACTED]**. In addition, stock markets and the shares of companies listed on the Stock Exchange have experienced substantial price and volume fluctuations from time to time that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the **[REDACTED]** of our Shares.

Investors for our Shares will experience immediate dilution if we issue additional Shares in the future.

As the **[REDACTED]** of our Shares is higher than the net tangible book value per Share of our Shares immediately prior to the **[REDACTED]**, **[REDACTED]** of our Shares in the **[REDACTED]** will experience an immediate dilution.

Moreover, we may exercise the **[REDACTED]** to **[REDACTED]** additional Shares. The **[REDACTED]** in the number of Shares outstanding after the **[REDACTED]** would result in the reduction in the percentage ownership of the Shareholders and may result in a dilution in the **[REDACTED]** and net asset value per Share.

In addition, we may need to raise additional funds in the future to finance business expansion or new development plans and acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of those existing Shareholders in our Company may be reduced, and they may experience subsequent dilution in the percentage ownership, and/or (ii) such newly issued securities may have preferred rights, options or privileges superior to those of the Shares of the existing Shareholders.

We may not pay any dividends in the future.

As a general matter, we cannot guarantee future dividend payments. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income. Our Board has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Additionally, past dividends declared should not be used as an indicator for future dividends.

The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ from those in Hong Kong and other jurisdictions.

Since our Company is incorporated under Cayman Islands law, its corporate affairs are governed by its Memorandum of Association and Articles of Association, and by the Companies Act and the common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in certain aspects from those established under statutes or judicial precedent in existence in Hong Kong and other jurisdictions. These differences may mean that our Company's minority Shareholders may have different remedies than they would have under the laws of Hong Kong or other jurisdictions.

Potential investors should be aware that there is a risk that the provisions of the Companies Act may not offer the same protection as the laws in Hong Kong or other jurisdictions and should consider obtaining independent legal advice on the implications of investing in foreign-incorporated companies.

Investors should read the entire document and should not rely on any information contained in press articles or other media coverage regarding us and the [REDACTED].

We strongly caution our investors not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to the publication of this document, there may be press and media coverage regarding the **[REDACTED]** and us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our investors should not rely on such information.

Certain facts, forecast and other statistics in this document derived from various government and official resources have not been independently verified.

Certain facts, forecast and statistics in this document are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, the information derived from government and official resources has not been independently verified by us, the Sole Sponsor, **[REDACTED]** or any of their respective affiliates or advisors and no representation is given as to its accuracy. Further, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully how much weight should be placed on such facts, forecast and statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would," and similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity, and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties, and assumptions, including the other risk factors as described in this document. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

Our international operations may be subject to transfer pricing adjustments by competent authorities.

During the Track Record Period, we engaged intra-group transactions involving transfer pricing arrangements between our subsidiaries on Hong Kong, the PRC and the United States. These transactions primarily related to the procurement, manufacturing and sale of decorative planters and other gardening products. Please refer to the section headed "Business — Transfer Pricing Arrangement" in this document for more details.

We cannot assure you that our intra-group transactions will not be challenged by the relevant authorities in the future, or that the relevant regulations or standards will remain unchanged. If our transfer arrangements are later adjudged not in line with arm's length principles by relevant authorities or disagree with our assessment and determine that our intra-group transactions do not comply with the relevant transfer pricing laws and regulations, we may be required to re-assess the transfer prices, re-allocate the income, or adjust the taxable income. Any such re-allocation or adjustment could result in higher tax liabilities for us and may adversely affect our business, results of operations, and financial condition. Also, we may face adverse tax consequences, such as the payment of outstanding tax, statutory interest or tax penalty. Moreover, failure to rectify within the timeframe prescribed by the relevant authorities may result in late payment interest, surcharge, or other penalties for any unpaid taxes. Any such circumstances could result in a higher overall tax liability for our Group and may adversely affect our business, financial condition and results of operation. Additionally, if relevant authorities challenge the intra-group transactions, it could give rise to tax recoverable in certain jurisdictions due to adjustments in taxable income. However, there is no assurance that we would successfully recover such taxes from the relevant authorities which could have a material adverse effect on our business, results of operations, and financial condition.

If we are unable to effectively manage our inventory or maintain optimal inventory levels, our inventory may suffer from obsolescence or shortages, and our business, results of operations, and financial condition may be adversely affected.

We continuously improve our products and launch new products that respond to evolving consumer preferences, which require us to manage our inventory effectively. Our inventories were HK$28.1 million, HK$35.8 million and HK$80.5 million as of December 31, 2023, 2024 and 2025, respectively. For the years ended December 31, 2023, 2024 and 2025, our average inventory turnover days were 67 days, 61 days, and 100 days, respectively. We base our purchase decisions and inventory management primarily on our understanding of our industry and forecast of market demand for our products. However, our forecast for demand may not accurately reflect the actual market demand. Significant and unpredictable shifts in market demand can affect the accuracy of our market demand forecast and the effectiveness of our procurement and inventory management practice, and we may not be able to timely mitigate the resulting inventory pressure or at all. Moreover, it can also prove challenging to accurately forecast the market demand for our products and determine the optimal inventory levels. Factors such as new product launches, rapid changes in product cycles and pricing, product defects, promotions, changes in consumer spending patterns, and changes in consumer preferences with respect to our products can all affect market demand, leading to unpredictable purchasing behaviors and quantities that may deviate from our expectations.

Furthermore, we face particular challenges in inventory management associated with our business model. Our international operations entail long-distance transportation and the resulting increase in lead time making it more challenging for us to respond swiftly to market changes and demand fluctuations. Additionally, during major promotions and holidays on the retailers we partner with, there could be a surge in sales that exceed the best forecasts of customer demand. If we fail to manage our inventory effectively, we may face inventory obsolescence, resulting in decline in inventory values and possible inventory write-downs or write-offs. Moreover, excessive inventory levels may tie up substantial capital resources, preventing us from using that capital for other important purposes. If we underestimate customer demand, we may experience inventory shortages, which may result in missed sales, additional costs to secure the necessary production, delivery delays, reduced customer loyalty, and lost revenues. Any of the above may materially and adversely affect our business, results of operations, and financial condition.

Our success depends on the continuing services of our senior management and key employees and our ability to continuously attract talents.

Our future performance depends on the continued services and contributions of our senior management and other key employees, which play a pivotal role in executing our business plan and identifying new opportunities and product advancements. For instance, Mr. Lo together with our operational teams have been instrumental in establishing our presence across different markets, and we expect to further our global expansion through their efforts. The success of our business, therefore, is dependent on our ability to attract and retain a team with entrepreneurial spirit, industry expertise, and local knowledge in the various markets where we operate or plan to operate.

The loss of services of senior management or key employees could significantly impede the achievement of our strategic objectives. Such a loss could adversely affect our corporate culture, business, financial condition, and operating results. Replacing key personnel would require significant amounts of time, training, and resources to find suitable replacements and integrate them into our business and corporate culture. Furthermore, our rapid growth requires us to recruit, train, and retain a wide range of talent who can adapt to a dynamic, competitive, and challenging business environment and contribute to our growth. We are committed to seeking qualified personnel to support our business operations and planned business growth. However, failure to recruit, train, and retain sufficient qualified personnel while managing our labor costs may have a material and adverse impact on our business.