

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



T.S. Lines Limited
德翔海運有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 02510)

**ANNOUNCEMENT OF ANNUAL RESULTS FOR
THE YEAR ENDED DECEMBER 31, 2024**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2024 was approximately US\$1,340.4 million, representing an increase of approximately 53.3%.
- Gross profit for the year ended December 31, 2024 was approximately US\$315.0 million as compared to approximately US\$33.8 million gross loss incurred in 2023.
- Profit attributable to equity shareholders of the Company for the year ended December 31, 2024 was approximately US\$365.9 million, representing an increase of approximately 1,666.9%.
- Basic earnings per share attributable to equity shareholders of the Company for the year ended December 31, 2024 was approximately US\$0.254 (2023: US\$0.015).
- A final dividend of US\$0.110 (equivalent to HK\$0.858 at the exchange rate of US\$1: HK\$7.8) per Share was declared for the year ended December 31, 2024.

The board of directors (the “**Board**”) of T.S. Lines Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended December 31, 2024, together with the comparative figures for the year ended December 31, 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Note	2024 US\$'000	2023 US\$'000
Revenue			
Cost of sales	3(a)	1,340,398	874,602
		<u>(1,025,372)</u>	<u>(908,391)</u>
Gross profit/(loss)		315,026	(33,789)
Other revenue	4	71,031	12,288
Other net income	4	376	34,217
Administrative and other operating expenses		<u>(41,507)</u>	<u>(44,242)</u>
Profit/(loss) from operations		344,926	(31,526)
Finance costs, net	5(a)	18,972	44,369
Share of profits less losses of associates		1,438	995
Share of profit of a joint venture		580	–
		<u>580</u>	<u>–</u>
Profit before taxation	5	365,916	13,838
Income tax credit	6	286	6,544
		<u>286</u>	<u>6,544</u>
Profit for the year		366,202	20,382
		<u>366,202</u>	<u>20,382</u>
Attributable to:			
Equity shareholders of the Company		365,913	20,709
Non-controlling interests		289	(327)
		<u>289</u>	<u>(327)</u>
Profit for the year		366,202	20,382
		<u>366,202</u>	<u>20,382</u>
Earnings per share			
Basic and diluted (US\$)	8	0.254	0.015
		<u>0.254</u>	<u>0.015</u>

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Profit for the year	366,202	20,382
Other comprehensive income for the year:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations (with nil tax effect)	<u>209</u>	<u>209</u>
Total comprehensive income for the year	<u>366,411</u>	<u>20,591</u>
Attributable to:		
Equity shareholders of the company	366,101	20,889
Non-controlling interests	<u>310</u>	<u>(298)</u>
Total comprehensive income for the year	<u>366,411</u>	<u>20,591</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	<i>Note</i>	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Non-current assets			
Property, plant and equipment		1,597,620	1,181,249
Intangible assets		731	801
Prepayments for the acquisition of vessels	9	134,632	154,194
Interests in associates		2,856	6,420
Interest in a joint venture		1,490	–
Deferred tax assets		152	–
		<u>1,737,481</u>	<u>1,342,664</u>
Current assets			
Bunkers		26,950	21,717
Contract assets	9	16,313	1,559
Trade and other receivables	9	118,789	77,465
Cash and cash equivalents		422,134	716,337
		<u>584,186</u>	<u>817,078</u>
Current liabilities			
Contract liabilities	10	4,113	3,099
Trade and other payables	10	181,494	164,136
Lease liabilities		41,251	84,670
Tax payable		4,244	3,740
		<u>231,102</u>	<u>255,645</u>
Net current assets		<u>353,084</u>	<u>561,433</u>
Total assets less current liabilities		<u>2,090,565</u>	<u>1,904,097</u>
Non-current liability			
Lease liabilities		115,383	132,539
NET ASSETS		<u>1,975,182</u>	<u>1,771,558</u>
Capital and reserves			
Share capital		277,213	140,000
Reserves		1,697,495	1,631,394
Total equity attributable to equity shareholders of the Company		<u>1,974,708</u>	<u>1,771,394</u>
Non-controlling interests		<u>474</u>	<u>164</u>
TOTAL EQUITY		<u>1,975,182</u>	<u>1,771,558</u>

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

This financial information is extracted from the consolidated financial statements which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the requirements of the Companies Ordinance (“**Companies Ordinance**”). The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the two financial years ended December 31, 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for these financial years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

As the Company was previously a private company, it was not required to deliver the consolidated financial statements for the year ended December 31, 2023 to the Registrar of Companies, and has not done so. The Company will deliver the consolidated financial statements for the year ended December 31, 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance in due course. The Company’s auditor has reported on those financial statements for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

The accounting policies adopted are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended December 31, 2023 except for the accounting policy changes that are reflected in the consolidated financial statements for the year ended December 31, 2024 (see note 2).

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provisions of container shipping and related services.

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2024	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of container shipping services	1,270,845	801,727
Other container shipping related services	69,553	72,875
	<u>1,340,398</u>	<u>874,602</u>

All of the above revenue are recognized over time.

Disaggregation of revenue from contracts with customers by the geographic markets is disclosed in note 3(b).

The Group's customer base is diversified and there are no customers with whom transactions have exceeded 10% of the Group's revenue for the years ended December 31, 2024 and 2023.

The Group does not have any remaining performance obligation that has an original expected duration of longer than one year.

(b) Segment reporting

The segment's operating results are reviewed regularly by the entity's chief operating decision makers to make decisions pertaining to the allocation of resources of the segment and to assess its performance for which the discrete financial information is available. Only one reportable segment of the Group was identified, and it is mainly associated with the provision of container shipping and related services.

Geographic information

The Group's non-current assets are primarily dominated by its vessels. The directors of the Company consider that the nature of the Group's business and the way in which costs are allocated preclude a meaningful allocation of vessels, their operating profits and related capital expenditure to specific geographical areas as defined under HKFRS 8, *Operating Segments* issued by the HKICPA. These vessels are primarily utilized across different geographical markets for shipment. Accordingly, geographical information is only presented for revenue from external customers.

The revenue information by geographical area based on the location of shipping agents handling the shipments is as follows:

	2024	2023
	<i>US\$'000</i>	<i>US\$'000</i>
Hong Kong Special Administrative Region ("HKSAR")	86,011	62,419
Mainland China	616,134	228,838
Taiwan	81,485	72,771
Philippines	126,859	90,208
Japan	102,345	118,469
Australia	56,018	42,000
Thailand	42,259	46,803
India	51,420	28,269
Other countries or regions	177,867	184,825
	<u>1,340,398</u>	<u>874,602</u>

4. OTHER REVENUE AND NET INCOME

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Other revenue		
Rental income from containers	3,234	2,954
Charter hire revenue – vessels	<u>67,797</u>	<u>9,334</u>
	<u>71,031</u>	<u>12,288</u>
Other net income		
Gain on disposals of property, plant and equipment	316	10,152
Gain on disposals of non-current assets classified as held for sale	–	25,160
Net foreign exchange (loss)/gain	(305)	1,469
Gain/(loss) on termination of a lease arrangement	223	(3,095)
Others	<u>142</u>	<u>531</u>
	<u>376</u>	<u>34,217</u>

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
(a) Finance costs, net		
Bank interest income	(21,704)	(48,394)
Interest on lease liabilities	<u>2,732</u>	<u>4,025</u>
	<u>(18,972)</u>	<u>(44,369)</u>
(b) Staff costs		
Contributions to defined contribution retirement plan*	1,177	1,759
Salaries, wages and other benefits		
– Administrative and other operating expenses*	27,071	28,526
– Cost of sales	<u>41,843</u>	<u>36,219</u>
	<u>70,091</u>	<u>66,504</u>
(c) Other items		
Depreciation of right-of-use assets	91,188	152,966
Depreciation of property, plant and equipment (other than right-of-use assets)	85,620	54,696
Amortization of intangible assets	152	78
Cost of bunkers consumed	190,162	187,742
Listing expenses*	<u>1,969</u>	<u>4,578</u>

*: Included in “Administrative and other operating expenses”.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	–	665
Over-provision in respect of prior years	<u>(356)</u>	<u>–</u>
	(356)	665
Current tax – Outside Hong Kong		
Provision for the year	<u>222</u>	<u>159</u>
	(134)	824
Deferred tax		
Origination and reversal of temporary differences	<u>(152)</u>	<u>(7,368)</u>
	<u>(286)</u>	<u>(6,544)</u>

No provision for Hong Kong Profits Tax has been made for 2024 as the Company and its subsidiaries in Hong Kong either did not have any assessable profits subject to Hong Kong Profits Tax during the year ended December 31, 2024 or their unused tax losses were sufficient to cover their estimated assessable profits for the year ended December 31, 2024.

Provisions for Hong Kong Profits Tax for the year ended December 31, 2023 was calculated at 16.5% of the estimated assessable profits for the prior year.

Taxation for subsidiaries incorporated in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant countries or regions.

7. DIVIDEND

Dividends payable to equity shareholders of the Company attributable to the year

	<i>Note</i>	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Interim dividend declared and paid of US\$0.214 per ordinary share of the Company (the “Share(s)”) (2023: US\$0.286 per Share)	(i)	<u>300,000</u>	<u>400,000</u>
Final dividend proposed after the end of the reporting period of US\$0.110 per Share (2023: nil)	(ii)	<u><u>183,153</u></u>	<u><u>–</u></u>

The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

Notes:

- (i) The dividend per Share was calculated on the basis of 1,400,000,000 Shares taking into account the allotment of 1,260,000,000 new Shares before the initial public offering (“IPO”) of the the Company.
- (ii) The dividend per Share was calculated on the basis of 1,665,031,000 Shares outstanding at the end of the reporting period.

8. EARNINGS PER SHARE

The calculation of basic earnings per Share is based on the profit attributable to ordinary equity shareholders of the Company of \$365,913,000 (2023: \$20,709,000) and the weighted average number of Shares of 1,443,132,000 Shares (2023: 1,400,000,000 Shares) after adjusting for the allotment of Shares in October 2024 before the IPO of the Company.

An additional 1,260,000,000 Shares were allotted and issued at nil cash consideration to the existing shareholders of the Company with no change in their respective equity interests in the Company. Accordingly, the weighted average number of Shares through out the period presented has been adjusted retrospectively for the impact of the above allotment of Shares.

	2024 <i>'000</i>	2023 <i>'000</i>
Issued Shares at January 1	140,000	140,000
Effect of Shares allotment at nil cash consideration	1,260,000	1,260,000
Effect of issuance of Shares upon IPO and partial exercise of the over-allotment option	<u>43,132</u>	<u>–</u>
Weighted average number of Shares at December 31	<u><u>1,443,132</u></u>	<u><u>1,400,000</u></u>

There are no dilutive potential Shares in issue during the years ended December 31, 2024 and 2023, and therefore, the amounts of diluted earnings per Share are the same as basic earnings per Share.

9. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Trade debtors, net of loss allowance	106,391	64,143
Other receivables, prepayments and deposits	12,398	13,322
	<hr/>	<hr/>
Current portion of trade and other receivables	118,789	77,465
Non-current prepayments for the acquisitions of vessels	134,632	154,194
	<hr/>	<hr/>
Contract assets	253,421	231,659
	16,313	1,559
	<hr/>	<hr/>
	269,734	233,218
	<hr/> <hr/>	<hr/> <hr/>

As at December 31, 2023, the portion of the Group's listing expenses that was of a nature which qualified for charging against equity upon the listing and had been capitalized as prepayments amounted to US\$380,000, all of which were recognized as reduction in equity during the year ended December 31, 2024.

As at December 31, 2024, except for the prepayments for the acquisitions of vessels which are classified as non-current assets, included in other receivables, prepayments and deposits which are expected to be recovered or recognized as expenses after one year amounted to US\$5,838,000 (2023: US\$5,232,000).

Aging analysis

As at the end of the reporting period, the aging analysis of the Group's trade debtors based on the invoice date and net of loss allowance, is as follows:

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Within 1 month	104,934	62,733
Over 1 month to 2 months	879	611
Over 2 months to 3 months	–	226
Over 3 months	578	573
	<hr/>	<hr/>
	106,391	64,143
	<hr/> <hr/>	<hr/> <hr/>

The Group's trade debtors are normally due within 30 days from the date of billing.

10. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Trade payables	140,269	133,238
Other payables and accrued charges	28,908	18,432
Deposits received	12,317	12,466
	<u>181,494</u>	<u>164,136</u>
Contract liabilities	4,113	3,099
	<u>185,607</u>	<u>167,235</u>

All of the Group's trade and other payables are expected to be settled within one year.

Contract liabilities represented the billing and receipts in advance in respect of provision of container shipping and related services. The amount included in the Group's contract liabilities at the beginning of the year ended December 31, 2024 recognized as revenue was US\$3,099,000 (2023: US\$4,784,000).

Aging analysis

As at the end of each of the reporting period, the aging analysis of the Group's trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2024 <i>US\$'000</i>	2023 <i>US\$'000</i>
Within 1 month	97,827	94,993
Over 1 month to 3 months	40,799	36,201
Over 3 months	1,643	2,044
	<u>140,269</u>	<u>133,238</u>

BUSINESS REVIEW AND PROSPECTS

Market Overview in 2024

In 2024, the global shipping market faced multiple challenges and opportunities. Geopolitical tensions, particularly the Russia-Ukraine conflict and the situation in the Red Sea, had a significant impact on the shipping market. Some routes were forced to divert, with ships having to sail around the Cape of Good Hope in Africa. This led to increased voyage distances, higher fuel costs, and subsequently, higher transportation expenses. Meanwhile, the global new ship order volume reached a new high in 2024. The increasing market demand for green and low-carbon vessels drove the development of the shipbuilding industry.

Market Outlook

It is projected that the global container market demand growth rate will remain between 3% and 4% in 2025. However, due to changes in supply and demand and geopolitical influences, freight rates may experience fluctuations. Developments in U.S. political affairs could also bring additional uncertainties, especially regarding its stance on issues such as trade policies towards China, the Russia-Ukraine situation, and unrest in the Middle East. Moreover, recent adjustments by the U.S. government to its global strategic layout, such as enhancing its influence in Greenland, the Panama Canal, and the Suez Canal, and strengthening North American economic integration, may have a profound impact on the stability of the global shipping market.

2024 Business Review

Business Scope

The Group primarily provides container shipping services. The Group's fleet consists of both owned and chartered vessels, focusing on shipping services in the Asia-Pacific region. This includes routes within Greater China, Greater China – North Asia, Greater China – Southeast Asia, Northeast Asia – Southeast Asia, Asia – Oceania, as well as Asia – Indian Subcontinent. In 2024, the Group also emphasized the operation of trans-Pacific routes, as well as routes to East Africa and the Middle East.

Route and Shipping Capacity Development

By the end of 2024, the Group operated a total of 46 routes (excluding any vessels we chartered out), comprising 11 self-operated routes, 22 joint-operated routes, 10 slot swaps, and 3 slot purchases. The Group's shipping network covers major trading markets in Asia, calling at 61 ports in approximately 20 countries and regions worldwide.

During 2024, a total of eight new vessels were delivered, including one 1,100 TEU vessel, one 2,900 TEU vessel, and six 7,000 TEU vessels. The operating fleet consisted of 36 owned vessels and 7 chartered vessels, with a total capacity of 113,427 TEU.

Revenue and Shipping Volume

As of December 31, 2024, the Group's total shipping volume reached 1,652,222 TEU, representing an increase of approximately 12.7% compared to the same period in 2023. The total revenue from container shipping services was approximately US\$1,270.8 million, representing an approximately 58.5% increase compared to the same period in 2023.

The revenue growth in 2024 was mainly due to route expansion, especially in the Middle East, Red Sea and trans-Pacific routes, which are high freight rate markets. In addition, the increase in shipping volume was also due to the addition of new routes to Indonesia and the deployment of 7,000 TEU vessels on routes to India and Australia, further enhancing capacity and market competitiveness.

Moreover, the Group's total shipping volume in the intra-Asia shipping market maintained steady growth in 2024 with a minor increase. As of December 31, 2024, the total shipping volume in this market reached 1,189,429 TEU, representing an approximately 1.2% increase from 1,175,781 TEU in the same period in 2023, indicating relatively stable market demand. During the same period, revenue from the intra-Asia shipping market reached approximately US\$634.1 million, representing an approximately 13.7% increase from approximately US\$557.8 million in 2023, mainly due to adjustments in freight rate structure and optimization of market strategies. Despite ongoing fierce market competition, the Group ensured stable business development through flexible operational strategies and precise market positioning, further consolidating the Asia-Pacific region as its core development area.

Meanwhile, by actively expanding long-haul and semi long-haul routes, the Group's performance in the third quarter of 2024 significantly improved. In 2024, the total shipping volume in the Asia-Oceania market reached 129,923 TEU, representing an approximately 25.5% increase from the same period in 2023. The revenue from this market in 2024 reached approximately US\$195.3 million, representing an approximately 96.5% increase from approximately US\$99.4 million in 2023. In addition, the total shipping volume in the Asia – Indian Subcontinent market reached 202,775 TEU in 2024, representing an approximately 31.8% increase from the same period in 2023. The revenue reached approximately US\$240.1 million, representing a significant increase of approximately 107.9% from approximately US\$115.5 million in the same period in 2023.

For the new routes added to the trans-Pacific, East Africa, and Middle East markets in 2024, the shipping volumes were 32,944 TEU, 68,880 TEU, and 26,812 TEU respectively, accounting for approximately 7.8% of the total shipping volume during the same period. The revenues from these three markets were approximately US\$70.7 million, US\$41.8 million, and US\$87.8 million respectively, totaling approximately 15.8% of the total shipping revenue during the same period. These strategic expansions not only optimized the allocation of shipping capacity but also effectively increased market share and overall profitability.

Business Development and Investment

As of December 31, 2024, the Group had committed a total capital expenditure of approximately US\$599.1 million, mainly for the purchase of seven new vessels, including two 4,300 TEU, two 7,000 TEU, and three 14,000 TEU vessels. Among them, one 7,000 TEU vessel is expected to be delivered in 2026, while the remaining six vessels (ranging from 4,300 TEU to 14,000 TEU) will be delivered sequentially in 2027. This investment will further enhance the Group's overall shipping capacity, optimize operational efficiency and ensure compliance with the latest environmental and regulatory standards which is in line with the Group's sustainable development strategy.

Summary and Outlook

In 2024, the Group maintained steady development in the rapidly changing market environment, further enhancing operational efficiency and market competitiveness through flexible response strategies and digital transformation.

Looking ahead to 2025, the Group will continue to optimize route layout, deepen supply chain integration and flexibly adjust operational strategies to adapt to market changes. At the same time, the Group will drive long-term sustainable growth and maintain its competitive advantage in both regional and global markets.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 53.3% from approximately US\$874.6 million for the year ended December 31, 2023 to approximately US\$1,340.4 million for the year ended December 31, 2024. This increase primarily reflected the increase in revenue from container shipping services by approximately 58.5% from approximately US\$801.7 million for the year ended December 31, 2023 to approximately US\$1,270.8 million for the year ended December 31, 2024, which was primarily due to (i) an approximately 40.6% increase in overall average freight rates from approximately US\$547 per TEU in 2023 to approximately US\$769 per TEU in 2024, which was generally in line with the market rates' movement; (ii) the Group's launch of new long-haul services in the East Asia – Middle East market and resumption of long-haul services in the Transpacific market, with freight rates for these services being higher than those for short-haul services; and (iii) an approximately 12.7% increase in the shipping volume from 1,466,431 TEU in 2023 to 1,652,222 TEU in 2024, which was partially attributed to the Group's increased shipping capacity.

Cost of Sales

The Group's cost of sales primarily consisted of container handling fees, bunker costs, depreciation expenses, container rental and yard expenses, charter hire fees, port charges and vessel running costs. The Group's cost of sales increased by approximately 12.9% from approximately US\$908.4 million for the year ended December 31, 2023 to approximately US\$1,025.4 million for the year ended December 31, 2024, which was primarily due to the increase in shipping volume by approximately 12.7%. The cost of sales per TEU remained consistent in 2023 and 2024 at approximately US\$620 per TEU.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group made a gross profit of approximately US\$315.0 million for the year ended December 31, 2024 as compared to the approximately US\$33.8 million gross loss incurred in 2023, and the Group's gross profit margin was approximately 23.5% for the year ended December 31, 2024 as compared to the negative gross profit margin of approximately 3.9% in 2023, which was mainly attributable to the increase in the average freight rates at a pace faster than the increase in the cost of sales.

Other Revenue

The Group's other revenue increased by approximately 478.1% from approximately US\$12.3 million for the year ended December 31, 2023 to approximately US\$71.0 million for the year ended December 31, 2024, primarily due to the increase in charter hire revenue of vessels from approximately US\$9.3 million in 2023 to approximately US\$67.8 million in 2024 which mainly reflected the increased number of vessels the Group chartered out with higher charter rates.

Other Net Income

The Group's other net income decreased from approximately US\$34.2 million for the year ended December 31, 2023 to approximately US\$0.4 million for the year ended December 31, 2024, primarily due to the decrease in gain on disposals of property, plant and equipment from approximately US\$35.3 million for the year ended December 31, 2023 to approximately US\$0.3 million for the year ended December 31, 2024 which was primarily due to the significant profit generated from the disposal of vessels in 2023 which did not recur in 2024.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses decreased by approximately 6.2% from approximately US\$44.2 million for the year ended December 31, 2023 to approximately US\$41.5 million for the year ended December 31, 2024, primarily due to the decrease in net listing expenses.

Net Finance Costs

The Group's net finance costs decreased by approximately 57.2% from approximately US\$44.4 million for the year ended December 31, 2023 to approximately US\$19.0 million for the year ended December 31, 2024, primarily due to the decrease in bank interest income from approximately US\$48.4 million for the year ended December 31, 2023 to approximately US\$21.7 million for the year ended December 31, 2024, which was mainly due to a decrease in the Group's bank deposits as a result of the purchase payment made for newbuilds.

Share of Profits Less Losses of Associates and a Joint Venture

The Group's share of profits less losses of associates and a joint venture increased from approximately US\$1.0 million for the year ended December 31, 2023 to approximately US\$2.0 million for the year ended December 31, 2024, primarily due to the increased contribution from T.S. Lines (India) Private Limited, an associate of the Company, due to the increase in its freight rate and shipping volume in the Asia – Indian Subcontinent market.

Income Tax Credit

The Group's income tax credit decreased from approximately US\$6.5 million for the year ended December 31, 2023 to approximately US\$0.3 million for the year ended December 31, 2024, primarily due to origination of temporary differences, which changed from approximately US\$7.4 million for the year ended December 31, 2023 to approximately US\$0.2 million for the same period in 2024. The deferred tax credit in 2023 mainly reflected the reversal of the aforementioned origination of temporary differences of approximately US\$7.4 million due to the disposal of the vessels associated with such temporary differences by the respective Hong Kong entities, which did not recur in 2024.

Profit Attributable to Equity Shareholders of the Company

As a result of the aforementioned factors, the profit attributable to equity shareholders of the Company increased significantly by approximately 1,666.9% from approximately US\$20.7 million for the year ended December 31, 2023 to approximately US\$365.9 million for the year ended December 31, 2024.

Other Performance Indicators

The following table sets forth other performance indicators of the Group for the years indicated:

	2024	2023
Return on equity ⁽¹⁾ (%)	19.5	1.1
Return on total assets ⁽²⁾ (%)	16.3	0.8
Current Ratio ⁽³⁾ (Times)	2.5	3.2
Quick Ratio ⁽⁴⁾ (Times)	2.4	3.1

Notes:

- (1) Return on equity is calculated based on profit attributable to equity shareholders of the Company for the year divided by the arithmetic mean of the opening and closing balances of total equity attributable to equity shareholders of the Company and multiplied by 100%.
- (2) Return on total assets is calculated based on profit attributable to equity shareholders of the Company for the year divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities as at the end of the respective year.
- (4) Quick ratio is calculated based on total current assets less inventories (bunkers) divided by total current liabilities as at the end of the respective year.

Return on Equity

The Group's return on equity increased from approximately 1.1% in 2023 to approximately 19.5% in 2024, primarily reflecting the significant increase in the profit attributable to equity shareholders of the Company.

Return on Total Assets

The Group's return on total assets increased from approximately 0.8% in 2023 to approximately 16.3% in 2024, primarily because the increase in profit attributable to equity shareholders of the Company outpaced the increase in total assets.

Current Ratio and Quick Ratio

The Group's current ratio decreased from 3.2 times as of December 31, 2023 to 2.5 times as of December 31, 2024 and the Group's quick ratio decreased from 3.1 times as of December 31, 2023 to 2.4 times as of December 31, 2024. Such decreases were mainly due to the decrease in cash and cash equivalents as a result of the payment of interim dividends and purchases of vessels and containers, partially offset by the increase in net cash generated from operating activities.

Liquidity and Financial Resources

The Group adopts a prudent financial management approach for its treasury policy to ensure that the Group’s liquidity structure comprising assets, liabilities and other commitments is able to always meet its capital requirements.

The Group’s financial position remains solid and the Group has sufficient financial resources to meet its commitments and working capital requirements. As at December 31, 2024, the Group had net current assets of approximately US\$353.1 million (2023: US\$561.4 million) of which cash and cash equivalents were approximately US\$422.1 million (2023: US\$716.3 million) and were denominated in US\$, RMB, JPY and HKD as at December 31, 2024.

Use of Net Proceeds from the Global Offering

The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on November 1, 2024. The net proceeds from the Company’s global offering (the “**Global Offering**”) (including the partial exercise of the over-allotment option) which the Company received, after deducting the underwriting commissions and expenses in relation to the listing payable by the Company, was approximately US\$127.7 million.

As at December 31, 2024, the approximately US\$114.9 million net proceeds from the Global Offering which was not utilized was deposited into interest bearing bank accounts with licensed commercial banks and will be applied according to the section headed “Future Plans and Use of Proceeds” of the Company’s prospectus dated October 24, 2024 (the “**Prospectus**”).

Purposes	Net proceeds from the Global Offering <i>US\$’000</i>	Approximate % of net proceeds from the Global Offering	Amounts utilized as at December 31, 2024 <i>US\$’000</i>	Amounts unutilized as at December 31, 2024 <i>US\$’000</i>	Expected timetable for utilizing the unutilized net proceeds
Purchase of two new 7,000 TEU vessels ordered in April 2024	63.8	50%	–	63.8	Before the end of December 2026 and 2027
Vessel chartering	31.9	25%	–	31.9	Before the end of December 2025
Container leasing	19.2	15%	–	19.2	Before the end of December 2025
Working capital and general corporate purposes	12.8	10%	12.8	–	
	<u>127.7</u>	<u>100%</u>	<u>12.8</u>	<u>114.9</u>	

The Company will use the remaining proceeds for the purposes disclosed in the Prospectus. The expected timetable for utilizing the remaining proceeds is based on the best estimates of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

Borrowings and Gearing Ratio

The gearing ratio as at December 31, 2024 was nil (2023: nil), which is calculated by dividing the total bank borrowings by the total equity. The Group did not incur any bank borrowings in 2023 and 2024.

Pledge of Assets

The Group had no pledged assets as at December 31, 2023 and 2024. The Group did not have any banking facilities as at December 31, 2023 and 2024.

Capital Expenditures and Investment

For the year ended December 31, 2024, the Group's total capital expenditures amounted to approximately US\$543.4 million, which was mainly related to the purchase of vessels and containers and was financed by internal resources. Save as disclosed above, the Group did not make any significant investments during the year ended December 31, 2024.

Capital Commitment

As at December 31, 2024, the capital commitment for acquisition of property, plant and equipment amounted to approximately US\$599.1 million (December 31, 2023: US\$361.5 million).

Contingent Liabilities

As at December 31, 2024, the Group did not have any significant contingent liabilities.

Significant Investments Held and Future Plans for Material Investments or Capital Assets

There were no significant investments held during the year ended December 31, 2024.

Save as disclosed in the Prospectus, there was no plan authorised by the Board for other material investments or additions of capital assets of the Group as at the date of this announcement.

Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

During the year ended December 31, 2024, the Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures.

Financial Instrument

During the year ended December 31, 2024, no financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments.

Employees and Remuneration

The Group is committed to providing a fair, diverse and inclusive workplace for all employees by strictly abiding by laws and regulations in regions the Group operates in relation to compensation and dismissal, equal opportunities, diversity, anti-discrimination, and other benefits. In compliance with relevant legal requirements, the recruitment, remuneration and welfare, promotion and dismissal of the Group's employees are dependent on their competence at work. The Group respects the rights and interests of every employee and strives to ensure a discrimination- and harassment-free working environment for all employees, where equal opportunities are offered to all employees regardless of their age, gender, race, nationality, disability, family status, marital status, or any other factors irrelevant to their work competence. Also, training is provided to employees of the Group depending on their departments and the scope of their responsibilities.

As at December 31, 2024, the Group had 908 employees (2023: 914 employees). The total remuneration cost incurred by the Group for the year ended December 31, 2024 was approximately US\$70.1 million (2023: US\$66.5 million). The Group's remuneration packages were generally structured with reference to market terms and individual merits.

The Group participates in a defined contribution retirement benefits scheme in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all employees in Hong Kong. The Group also provides welfare schemes for its employees in mainland China and Taiwan, as required by applicable laws and regulations in mainland China and Taiwan.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association of the Company or the laws of Hong Kong, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders of the Company (the "**Shareholders**").

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2024.

EVENTS AFTER THE REPORTING PERIOD

There have not been any significant events affecting the Group after December 31, 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”). Specific enquiries have been made to all the directors of the Company (the “**Directors**”) and the Directors have confirmed that they have complied with the Model Code throughout the year ended December 31, 2024 and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Part 2 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practices. From the listing date (being November 1, 2024) to December 31, 2024, the Company had complied with all the applicable code provisions of the CG Code, except as expressly described below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chen Teh-Sheng (“**Mr. Chen**”) is the chairman and chief executive officer of the Group. The Board believes that Mr. Chen should continue to assume the responsibilities of chief executive officer as this arrangement will improve the efficiency of the decision-making and execution process given his knowledge of the Group’s affairs. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, the Board considers that the deviation from Code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company. The Board will continue to review and monitor the corporate governance practices of the Company with an aim to maintain a high standard of corporate governance practices.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) has reviewed the consolidated financial statements for the year ended December 31, 2024 in conjunction with the Company’s auditors and management and has also discussed auditing, risk management, internal control and financial reporting matters including accounting practices and principles adopted by the Group. The Audit Committee considers that the financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been made.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by KPMG on the preliminary announcement.

PROPOSED DISTRIBUTION OF FINAL DIVIDEND

The Board resolved to propose to the Shareholders at the annual general meeting (the “AGM”) on May 29, 2025 for the distribution of a final dividend of US\$0.110 (equivalent to HK\$0.858 at the exchange rate of US\$1: HK\$7.8) per Share for the year ended December 31, 2024 payable to the Shareholders whose names are listed in the register of members of the Company on June 9, 2025, in an aggregate amount of US\$183.2 million. It is expected that the final dividend will be paid on July 9, 2025. The proposal for the distribution of the final dividend above is subject to the consideration and approval of the Shareholders at the AGM. The final dividend will be paid in the same currency, either in US dollars or HK dollars. Shareholders should complete a dividend election form and return it to the Company’s Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, China, not later than 4:30 p.m. on June 27, 2025.

AGM AND CLOSURE OF THE REGISTER OF MEMBERS

The AGM will be held on May 29, 2025. The notice of AGM and all other relevant documents will be published in April 2025.

For the purpose of determining who is entitled to attend the AGM, the register of members of the Company will be closed from May 26, 2025 to May 29, 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, unregistered holders of Shares shall lodge Share transfer documents, together with relevant Share certificates, with the Company’s Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration before 4:30 p.m. on May 23, 2025.

In addition, the Company’s register of members will be closed from Wednesday, June 4, 2025 to Monday, June 9, 2025 (both days inclusive) for the purpose of determining the Shareholder’s entitlement to the proposed final dividend of the Company. In order to qualify for the proposed final dividend (subject to the approval by Shareholders at the AGM), unregistered holders of Shares shall lodge Share transfer documents, together with relevant Share certificates, with the Company’s Share registrar, Computershare Hong Kong Investor Services Limited, at the above-mentioned address for registration before 4:30 p.m. on Tuesday, June 3, 2025.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.tslines.com/>). The annual report of the Company for the year ended December 31, 2024 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

By order of the Board
T.S. Lines Limited
Mr. Chen Teh-Sheng
*Chairman of the Board, Executive Director
and Chief Executive Officer*

Hong Kong, March 28, 2025

As at the date of this announcement, the Board comprises, (i) Mr. Chen Teh-Sheng, Mr. Chen Shao-Hsiang, Mrs. Chen Chuang Chuang-Li, Mr. To Hung-Lin and Mr. Chow Hong Man as executive Directors; and (ii) Mr. Wu Youn-Ger, Mr. Chang Shan-Hui and Mr. Yang Li-Yen as independent non-executive Directors.