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T.S. Lines Limited
德翔海運有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 2510)

DISCLOSEABLE TRANSACTIONS
CONSTRUCTION OF VESSELS

THE CONSTRUCTION OF VESSELS

Reference is made to the announcement of the Company dated August 7, 2025 in relation to, among other things, the construction of two newbuilding vessels under the 2024 Shipbuilding Contracts, each on substantially the same terms, entered into between the Buyer and the Sellers on September 20, 2024 at an aggregate consideration of US\$121,200,000 (equivalent to approximately HK\$945,360,000) and each at a consideration of US\$60,600,000 (equivalent to approximately HK\$472,680,000).

The Board announces that on August 19, 2025, the Company entered into the Amended Shipbuilding Contracts, each on substantially the same terms, with the Sellers for the construction of two newbuilding vessels at an aggregate consideration of US\$125,560,000 (equivalent to approximately HK\$979,368,000) and each at a consideration of US\$62,780,000 (equivalent to approximately HK\$489,864,000).

LISTING RULES IMPLICATIONS

Since the Amended Shipbuilding Contracts were entered into with the same Sellers and within a 12-month period, the Company has aggregated the construction of the vessels under such contracts pursuant to Rule 14.22 of the Listing Rules.

As one or more of the percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the construction of the vessels under the two Amended Shipbuilding Contracts, when aggregated, exceed 5% but are all less than 25%, the construction of the vessels under such contracts constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is also made to the announcement of the Company dated August 7, 2025 in relation to, among other things, the construction of four newbuilding vessels under the 2025 Shipbuilding Contracts. Each of the applicable percentage ratios calculated with reference to Rules 14.07 and 14.22 of the Listing Rules in respect of the construction of the vessels under the Amended Shipbuilding Contracts, on an aggregated basis and as further aggregated with the 2025 Shipbuilding Contracts, are all less than 25% and thus constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules.

THE CONSTRUCTION OF VESSELS

Reference is made to the announcement of the Company dated August 7, 2025 in relation to, among other things, the construction of two newbuilding vessels under the 2024 Shipbuilding Contracts, each on substantially the same terms, entered into between the Buyer and the Sellers on September 20, 2024 at an aggregate consideration of US\$121,200,000 (equivalent to approximately HK\$945,360,000) and each at a consideration of US\$60,600,000 (equivalent to approximately HK\$472,680,000).

The Board announces that on August 19, 2025, the Company entered into the Amended Shipbuilding Contracts, each on substantially the same terms, with the Sellers, modifying the specifications of the vessels ordered under the 2024 Shipbuilding Contracts, for the construction of two newbuilding vessels at an aggregate consideration of US\$125,560,000 (equivalent to approximately HK\$979,368,000) and each at a consideration of US\$62,780,000 (equivalent to approximately HK\$489,864,000).

The material terms of the Amended Shipbuilding Contracts are as follows:

Date: August 19, 2025

Parties: (1) The Company, as the buyer; and
(2) Huangpu Wenchong and CSTC, as the Sellers

Asset to be acquired: Two 5,300 TEU container vessels, each to be constructed in accordance with the specifications set out in the respective 2024 Shipbuilding Contract as amended by the respective Amended Shipbuilding Contract

Consideration: US\$62,780,000 (equivalent to approximately HK\$489,864,000) for each vessel, amounting to an aggregate consideration of US\$125,560,000 (equivalent to approximately HK\$979,368,000) for all two vessels

Expected delivery date: The vessels are expected to be delivered in February 2028 and April 2028, with the specific delivery date for each vessel to be determined in accordance with the respective Amended Shipbuilding Contract

Payment terms: For each vessel:

- (1) Payment of US\$6,060,000 within five banking days after the receipt of the refund guarantee, which has been paid as of the date hereof
- (2) Payment of US\$6,060,000 within 3 months after the date of the first installment as set out above is paid, which has been paid as of the date hereof
- (3) Payment of US\$6,310,000 within five banking days after the first steel cutting
- (4) Payment of US\$6,310,000 within five banking days after the keel laying
- (5) Payment of US\$6,310,000 within five banking days after launching of the vessel
- (6) Payment of US\$31,730,000, subject to adjustments (where applicable)

Guarantee: The Sellers' bank shall provide an irrevocable refund guarantee to the Company.

The Company shall, within 7 business days after the execution of the respective Amended Shipbuilding Contract, provide a new payment guarantee in the terms set out in each of the Amended Shipbuilding Contracts to the Sellers.

BASIS FOR DETERMINATION OF CONSIDERATION

The consideration for the construction of the vessels was determined after arm's length negotiations between the Company and the Sellers, having taken into account a number of factors, including:

- (1) the transaction price of other vessels of similar type and size under the transactions previously entered into between the Company and the Sellers;
- (2) the transaction price of other vessels of similar type and size based on public market information and recent comparable transactions in the market;
- (3) quotations provided by other shipbuilders for the construction of new vessels of similar type, size, and delivery schedule;
- (4) the quality of services and industry reputation of the Sellers, including their track record in delivering vessels on time and in accordance with the specifications; and
- (5) the technical specifications, design, and expected performance of the vessels, including compliance with the latest environmental and safety standards.

The paid installments have been funded by internal resources of the Group, and it is currently expected that the remaining consideration will be funded by internal resources of the Group and external financing from financial or other institutions.

REASONS FOR AND BENEFITS OF THE CONSTRUCTION OF VESSELS

The Directors believe that the construction of the vessels with the modified specifications is in line with the Group's long-term development strategy and will bring significant benefits to the Group and its shareholders as a whole.

The construction of the two container vessels with the modified specifications will increase the Group's owned fleet size and total shipping capacity, enabling the Group to better capture market opportunities and respond to growing demand in the container shipping industry, particularly in the Asia Pacific region and other key markets. The addition of new vessels will further strengthen the Group's ability to provide reliable and frequent services to its customers and enhance its market position.

Further, the Group's strategy includes maintaining a balanced mix of owned and chartered-in vessels, with a focus on increasing the proportion of owned vessels to achieve long-term cost advantages. Owned vessels are not subject to fluctuations in charter rates or prescribed lease terms and generally result in lower unit operating costs. The new vessels, being of modern design and specification, are expected to be more fuel-efficient and environmentally friendly, thereby reducing operating costs and supporting compliance with increasingly stringent environmental regulations.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of each of the 2024 Shipbuilding Contracts as amended by the Amended Shipbuilding Contracts are fair and reasonable, on normal commercial terms, and in the interests of the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is an Asia Pacific region focused container shipping company. The Group operates a container shipping network independently and also through arrangements with other carriers including joint services, slot exchange and slot chartering with particular emphasis on the Asia Pacific region. The Group also has a strong focus on and provide frequent services originating from the Greater Bay Area in China.

Huangpu Wenchong is a company incorporated in the PRC with limited liability, and is principally engaged in a wide range of activities, including the manufacturing and repair of ships, specialized engineering ships, offshore support vessels, container ships, bulk carriers, and dredgers. It also undertakes ship modification, refitting, and overhaul services including large-scale projects with dry docks and gantry cranes. Additionally, Huangpu Wenchong is involved in Engineering consulting and design services related to shipbuilding and marine engineering. Huangpu Wenchong is an indirect non-wholly owned subsidiary of CSSC.

CSTC is a company incorporated in the PRC with limited liability, and is principally engaged in import and export of goods, equipment, complete sets, technology, components, and materials across shipbuilding and marine industries, as well as acting as an agent for such activities. It is involved in global marketing, procurement, project contracting, and trading services, including vessel trading, leasing, after sales support, and logistics operations. CSTC is a wholly-owned subsidiary of CSSC.

CSSC is a company incorporated in the PRC with limited liability and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Sellers and their ultimate beneficial owners are Independent Third Party.

LISTING RULES IMPLICATIONS

Since the Amended Shipbuilding Contracts were entered into with the same Sellers and within a 12-month period, the Company has aggregated the construction of the vessels under such contracts pursuant to Rule 14.22 of the Listing Rules.

As one or more of the percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the construction of the vessels under the two Amended Shipbuilding Contracts, when aggregated, exceed 5% but are all less than 25%, the construction of the vessels under such contracts constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is also made to the announcement of the Company dated August 7, 2025 in relation to, among other things, the construction of four newbuilding vessels under the 2025 Shipbuilding Contracts. Each of the applicable percentage ratios calculated with reference to Rules 14.07 and 14.22 of the Listing Rules in respect of the construction of the vessels under the Amended Shipbuilding Contracts, on an aggregated basis and as further aggregated with the 2025 Shipbuilding Contracts, exceeds 5% but are all less than 25%, and thus the construction of the vessels under such contracts constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“2024 Shipbuilding Contract(s)”	each of the two shipbuilding contracts dated September 20, 2024 entered into between the Buyer and the Sellers in relation to the building and delivery of a total of two 4,300 TEU container vessels, which are amended by the Amended Shipbuilding Contracts
“2025 Shipbuilding Contract(s)”	each of the four shipbuilding contracts dated August 7, 2025 and each as amended by an addendum of the same date entered into between the Buyer and the Sellers in relation to the building and delivery of a total of four 5,300 TEU container vessels
“Amended Shipbuilding Contract(s)”	each of the two addendums dated August 19, 2025 and each as further amended by an addendum of the same date entered into between the Company and the Sellers in relation to the building and delivery of a total of two container vessels (which primarily serves to modify the specifications of the vessels ordered under the 2024 Shipbuilding Contracts, namely originally 4,300 TEU to the modified 5,300 TEU for each vessel)
“Board”	the board of Directors
“Buyer”	the Company or the Nominee Buyer
“Company”	T.S. Lines Limited (德翔海運有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 2510)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSSC”	China State Shipbuilding Corporation Limited* (中國船舶集團有限公司), a company incorporated in the PRC with limited liability
“CSTC”	China Shipbuilding Trading Co., Ltd.* (中國船舶工業貿易有限公司), a company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangpu Wenchong”	CSSC Huangpu Wenchong Shipbuilding Company Limited* (中船黃埔文沖船舶有限公司), a company incorporated in the PRC with limited liability

“Independent Third Party”	any person or company who is not a connected person of the Company and is a third party independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nominee Buyer”	buyer of any of the vessels under the 2025 Shipbuilding Contracts, being a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Sellers”	Huangpu Wenchong and CSTC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEU”	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
“US\$”	United States dollars, the lawful currency of the United States
“United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

* *For identification purposes only*

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, August 19, 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.

In this announcement, HK\$ to US\$ is calculated based on an exchange rate (for illustration purpose only) of 7.8:1.