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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)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended June 30, 2025 was approximately US\$641.4 million, representing an increase of approximately 18.7%.
- Gross profit for the six months ended June 30, 2025 was approximately US\$127.1 million, representing an increase of approximately 170.1%.
- Profit attributable to equity shareholders of the Company for the six months ended June 30, 2025 was approximately US\$188.7 million, representing an increase of approximately 222.0%.
- Basic earnings per share attributable to equity shareholders of the Company for the six months ended June 30, 2025 was approximately US\$0.113 (six months ended June 30, 2024: US\$0.042).

The board (the “**Board**”) of directors (the “**Directors**”) of T.S. Lines Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended June 30, 2025, together with the comparative figures for the six months ended June 30, 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – UNAUDITED

For the six months ended June 30, 2025

		Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
	<i>Note</i>		
Revenue	<i>3</i>	641,427	540,491
Cost of sales		<u>(514,316)</u>	<u>(493,429)</u>
Gross profit		127,111	47,062
Other revenue	<i>4</i>	68,576	29,128
Other net income/(loss)	<i>4</i>	12,336	(1,216)
Administrative and other operating expenses		<u>(18,372)</u>	<u>(15,938)</u>
Profit from operations		189,651	59,036
Finance costs	<i>5(a)</i>	(1,261)	(1,395)
Share of profits less losses of associates		220	1,202
Share of profit of a joint venture		<u>483</u>	<u>–</u>
Profit before taxation	<i>5</i>	189,093	58,843
Income tax (expenses)/credit	<i>6(a)</i>	<u>(275)</u>	<u>202</u>
Profit for the period		<u>188,818</u>	<u>59,045</u>
Attributable to:			
Equity shareholders of the Company		188,690	58,607
Non-controlling interests		<u>128</u>	<u>438</u>
Profit for the period		<u>188,818</u>	<u>59,045</u>
Earnings per share			
Basic and diluted (US\$)	<i>7</i>	<u>0.113</u>	<u>0.042</u>

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
Profit for the period	188,818	59,045
Other comprehensive income for the period		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations (with nil tax effect)	(234)	404
Total comprehensive income for the period	188,584	59,449
Attributable to:		
Equity shareholders of the Company	188,568	58,857
Non-controlling interests	16	592
Total comprehensive income for the period	188,584	59,449

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

As at June 30, 2025

	<i>Note</i>	At June 30, 2025 US\$'000	At December 31, 2024 US\$'000
Non-current assets			
Property, plant and equipment		1,620,775	1,597,620
Intangible assets		681	731
Prepayments for the acquisitions of vessels		155,676	134,632
Interests in associates		1,686	2,856
Interest in a joint venture		908	1,490
Deferred tax assets		132	152
		<u>1,779,858</u>	<u>1,737,481</u>
Current assets			
Bunkers		22,357	26,950
Contract assets		17,950	16,313
Trade and other receivables	8	107,288	118,789
Cash and cash equivalents		585,801	422,134
		<u>733,396</u>	<u>584,186</u>
Current liabilities			
Contract liabilities		2,691	4,113
Trade and other payables	9	348,390	181,494
Lease liabilities		52,484	41,251
Tax payable		5,261	4,244
		<u>408,826</u>	<u>231,102</u>
Net current assets		<u>324,570</u>	<u>353,084</u>
Total assets less current liabilities		<u>2,104,428</u>	<u>2,090,565</u>

	At June 30, 2025 US\$'000	At December 31, 2024 US\$'000
Non-current liability		
Lease liabilities	<u>124,104</u>	<u>115,383</u>
Net assets	<u>1,980,324</u>	<u>1,975,182</u>
Capital and reserves		
Share capital	277,213	277,213
Reserves	<u>1,702,921</u>	<u>1,697,495</u>
Total equity attributable to equity shareholders of the Company	1,980,134	1,974,708
Non-controlling interests	<u>190</u>	<u>474</u>
Total equity	<u>1,980,324</u>	<u>1,975,182</u>

NOTES

1. BASIS OF PREPARATION

The unaudited consolidated interim financial information set out in this announcement does not constitute the Company's unaudited interim financial report for the six months ended June 30, 2025, but is extracted from that unaudited interim financial report. The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorized for issue by the board of directors on August 25, 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The financial information relating to the financial year ended December 31, 2024 that is included in this unaudited consolidated interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year 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 (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was 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.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim financial report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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:

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of container shipping services	585,615	505,880
Other container shipping related services	55,812	34,611
	641,427	540,491

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 six months ended June 30, 2025 and 2024.

(b) Segment reporting

The segment's operating results are reviewed regularly by the entity's chief operating decision maker to make decisions pertaining to the allocation of the 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:

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
Hong Kong Special Administrative Region ("HKSAR")	23,826	36,265
Mainland China	278,256	240,225
Taiwan	42,176	40,004
Philippines	69,651	59,007
Japan	55,314	49,590
Australia	24,319	23,323
Thailand	21,255	23,774
Korea	24,807	18,546
India	21,982	17,763
Vietnam	18,646	18,214
Other countries or regions	61,195	13,780
	641,427	540,491

4. OTHER REVENUE AND NET INCOME/(LOSS)

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
Other revenue		
Bank interest income	8,278	13,371
Rental income from containers	1,382	1,579
Charter hire revenue – vessels	58,916	14,178
	68,576	29,128

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
Other net income/(loss)		
Gain on disposals of property, plant and equipment	1	14
Net foreign exchange gain/(loss)	12,179	(1,569)
Others	156	339
	<u>12,336</u>	<u>(1,216)</u>

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
(a) Finance costs		
Interest on lease liabilities	<u>1,261</u>	<u>1,395</u>
(b) Staff costs		
Contributions to defined contribution retirement plan*	559	608
Salaries, wages and other benefits		
– Administrative and other operating expenses*	12,677	11,121
– Cost of sales	<u>22,125</u>	<u>20,370</u>
	<u>35,361</u>	<u>32,099</u>
(c) Other items		
Auditors' remuneration*	194	106
Depreciation of right-of-use assets	25,020	51,022
Depreciation of property, plant and equipment (other than right-of-use assets)	47,857	39,663
Amortization of intangible assets	70	79
Cost of bunkers consumed	82,863	94,039
Listing expenses*	<u>–</u>	<u>64</u>

* Included in "Administrative and other operating expenses"

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

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

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
Current tax – Outside Hong Kong		
Provision for the period	185	4
Withholding tax on dividend received from an associate	70	—
	<u>255</u>	<u>4</u>
Deferred tax		
Origination and reversal of temporary differences	20	(206)
	<u>275</u>	<u>(202)</u>

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries in Hong Kong either did not have any assessable profits subject to Hong Kong Profits Tax during the six months ended June 30, 2025 and 2024 or their unused tax losses were sufficient to cover their estimated assessable profits for these periods.

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

Withholding tax on dividend received from an associate incorporated in India was charged at 5% of the dividend income.

(b) Pillar Two income tax

The Company is subject to the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development.

From January 1, 2025, the Group is liable to Pillar Two income taxes for its earnings in HKSAR and certain other jurisdictions. Management preliminarily assessed that the exposure arising from top-up tax to be immaterial.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended June 30, 2025 of US\$188,690,000 (six months ended June 30, 2024: US\$58,607,000) and the weighted average of 1,665,031,000 ordinary shares (six months ended June 30, 2024: 1,400,000,000 ordinary shares) in issue. The weighted average of 1,400,000,000 shares for the six months ended June 30, 2024 have been adjusted for the allotment and issuance of 1,260,000,000 ordinary shares at nil consideration before the initial public offering of the Company in November 2024.

There are no potential dilutive ordinary shares in issue during the six months ended June 30, 2025 and 2024.

8. TRADE AND OTHER RECEIVABLES

At the end of the reporting period, the aging analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At June 30, 2025 US\$'000	At December 31, 2024 US\$'000
Within 1 month	83,066	104,934
Over 1 month to 2 months	1,255	879
Over 2 months to 3 months	51	–
Over 3 months	1,852	578
	<hr/> 86,224	<hr/> 106,391
Other receivables, prepayments and deposits	21,064	12,398
	<hr/> 107,288	<hr/> 118,789

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

9. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

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

	At June 30, 2025 US\$'000	At December 31, 2024 US\$'000
Within 1 months	112,297	97,827
Over 1 month to 3 months	26,946	40,799
Over 3 months	1,337	1,643
	<hr/> 140,580	<hr/> 140,269
Dividend payables	183,153	15,024
Other payables and accrued charges	11,974	13,884
Deposits received	12,683	12,317
	<hr/> 348,390	<hr/> 181,494

10. DIVIDEND

Dividend payable to equity shareholders attributable to the provisions financial year, approved during the interim period:

	Six months ended June 30, 2025 US\$'000	Six months ended June 30, 2024 US\$'000
Final dividend in respect of the previous financial year, approved during the interim period of US\$0.110 (six months ended June 30, 2024: US\$nil) per ordinary share	<hr/> 183,153	<hr/> –

BUSINESS REVIEW AND PROSPECTS

Business Scope

The Group primarily provides container shipping services. Its fleet comprises both self-owned and chartered vessels, with a continued strategic focus on the Asia-Pacific region. The Group's service network covers major trade lanes including Greater China, Greater China – North Asia, Greater China – Southeast Asia, Northeast Asia – Southeast Asia, Asia – Oceania, and Asia – Indian Subcontinent. In the first half of 2025, while continuously reinforcing its regional presence, the Group proactively expanded into long-haul and high-revenue trade lanes, with increased emphasis on Transpacific, Middle East, and East Africa services. In April, a new Asia – Mexico trade lane was officially launched, further extending its reach into Latin America and enhancing its global coverage and revenue structure diversification.

Route and Shipping Capacity Development

As of the end of June 2025, the Group operated a total of 49 shipping services (excluding operations involving our chartered vessels), comprising 11 self-operated services, 24 joint-operated services, 11 slot-swap services, and 3 slot-purchasing services. The Group's shipping network covers major trading markets in Asia, calling at around 60 ports in total across 22 countries and regions worldwide.

As of the end of June 2025, the Group operated a total of 47 vessels with an aggregate capacity of 140,726 TEU. This included a total of 34 self-owned vessels providing 81,129 TEUs with an average age of approximately 3.8 years; 7 sublet vessels providing a total of 37,149 TEUs with an average age of 6.8 years; and 6 chartered-in vessels providing 22,448 TEUs with an average age of 2.2 years. Overall, the fleet remained structurally sound, with a high proportion of self-owned capacity and the strength of a younger age profile that supports stable service and operational flexibility.

Revenue and Shipping Volume

For the six months ended June 30, 2025, the Group achieved solid performance amidst overall market volatility, supported by agile market strategies and a younger, modern fleet. Total revenue for the first half of 2025 reached US\$641.4 million, up 18.7% from the same period in 2024. Revenue from container shipping services accounted for 91.3% of total revenue. The Asia-Pacific market remained the Group's key source of revenue, contributing 83.4% of total container shipping service revenue. The Group continued to focus on its core regional markets in Asia while actively expanding its long-haul services to enhance revenue structure and overall profitability.

For the six months ended June 30, 2025, the Group handled a total container volume of 818,480 TEUs, representing a slight decrease compared to the same period in 2024, mainly reflecting the slot adjustments on some short-haul regional services. However, total revenue from container shipping services increased from approximately US\$505.9 million in the same period of prior year to US\$585.6 million, indicating a healthy growth. The overall average freight rate per TEU rose from US\$608 to US\$715, underscoring the Group's ability to effectively maintain an optimized revenue structure and a flexible pricing strategy in response to market rate fluctuations.

The revenue increase during the period was primarily driven by strong performance on the Greater China-Southeast Asia and Greater China-Northeast Asia markets, both of which recorded notable improvements in unit revenue, reaching an average freight rate of US\$611 and US\$514 per TEU, respectively. The North Asia-Southeast Asia market also showed significant growth momentum in unit rates, reflecting the effectiveness of strategic market adjustments in driving unit revenue growth.

The Asia-Pacific region remained the core operating market of the Group. For the six months ended June 30, 2025, total revenue from this region amounted to approximately US\$488.2 million, accounting for more than 80% of total container shipping revenue for the period. Although shipping volume saw a minor decline compared to the same period last year, the significant increase in average unit freight rate over last year was sufficient to support overall revenue growth, underscoring the solid foundation of regional operations.

In addition to continuously optimizing existing services, the Group also actively expanded into semi long-haul and long-haul trades. During the period, the Asia-Indian Subcontinent market recorded notable revenue growth compared to the same period last year, continuing to reflect its high-revenue and high value-added nature.

Meanwhile, the Group continued to develop its Transpacific operations. In addition to the existing Asia-U.S. West Coast service, a new Asia-Mexico service was launched in April 2025, further extending the Group's reach into Latin America. During the period, the overall Transpacific markets (including both U.S. West Coast and Mexico services) handled a total of 36,270 TEUs, generating approximately US\$53.8 million in revenue. The average freight rate per TEU reached US\$1,484, demonstrating the high-revenue advantage and long-haul growth potential of this trade segment and supporting the Group's long-haul expansion strategy and revenue structure.

Summary and Outlook

Overall, through service restructuring and slot optimization, the Group achieved continued revenue growth despite stable shipping volume, and steadily expanded its semi long-haul service network. Looking ahead to the second half of the year, the Group will continue to enhance service efficiency and unit revenue, deepen its core market operations, and closely monitor global trade developments and changes in geopolitical risks, advancing its overall operations and sustainable growth strategy in a prudent manner.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 18.7% from approximately US\$540.5 million for the six months ended June 30, 2024 to approximately US\$641.4 million for the six months ended June 30, 2025. This increase primarily reflected the increase in revenue from container shipping services by approximately 15.8% from approximately US\$505.9 million for the six months ended June 30, 2024 to approximately US\$585.6 million for the six months ended June 30, 2025, which was primarily due to (i) an approximately 17.6% increase in overall average freight rates from approximately US\$608 per TEU in the first half of 2024 to approximately US\$715 per TEU in the first half of 2025, which aligned with market trends; and (ii) resumption of long – haul services in the Transpacific market in the second half of 2024 and launch of a new Asia-Mexico service in April 2025.

Cost of Sales

The Group's cost of sales slightly increased by approximately 4.2% from approximately US\$493.4 million for the six months ended June 30, 2024 to approximately US\$514.3 million for the six months ended June 30, 2025, which was primarily due to the increase in container rental, yard expenses and slot charter hire.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit increased by approximately 170.1% from approximately US\$47.1 million for the six months ended June 30, 2024 to approximately US\$127.1 million for the six months ended June 30, 2025, and the Group's gross profit margin also increased from 8.7% for the six months ended June 30, 2024 to 19.8% for the six months ended June 30, 2025, 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 from approximately US\$29.1 million for the six months ended June 30, 2024 to approximately US\$68.6 million for the six months ended June 30, 2025, primarily due to the increase in charter hire revenue of vessels from approximately US\$14.2 million in first half of 2024 to approximately US\$58.9 million in first half of 2025, which mainly reflected the increased number of vessels the Group chartered out with higher charter rates, partially offset by the decrease in bank interest income from approximately US\$13.4 million for the six months ended June 30, 2024 to approximately US\$8.3 million for the six months ended June 30, 2025, which was mainly due to a decrease in interest rate and the Group's bank deposits as a result of the payment of interim dividends in 2024.

Other Net Income/(Loss)

The Group recorded other net income of US\$12.3 million for the six months ended June 30, 2025, compared to other net loss of US\$1.2 million for the six months ended June 30, 2024, primarily due the net foreign exchange gain of US\$12.2 million for the six months ended June 30, 2025, compared to the net foreign exchange loss of US\$1.6 million for the six months ended June 30, 2024, as a result of the appreciation of foreign currencies against USD.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased from approximately US\$16.0 million for the six months ended June 30, 2024 to approximately US\$18.4 million for the six months ended June 30, 2025, mainly due to the increase in staff bonus.

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 222.0% from approximately US\$58.6 million for the six months ended June 30, 2024 to approximately US\$188.7 million for the six months ended June 30, 2025.

Other Performance Indicators

Current Ratio and Quick Ratio

The Group's current ratio decreased from 2.5 times as of December 31, 2024 to 1.8 times as of June 30, 2025 and the Group's quick ratio decreased from 2.4 times as of December 31, 2024 to 1.7 times as of June 30, 2025. Such decreases were mainly due to the accrual of 2024 final dividend of approximately US\$183.2 million.

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 June 30, 2025, the Group had net current assets of approximately US\$324.6 million (December 31, 2024: US\$353.1 million) of which cash and cash equivalents were approximately US\$585.8 million (December 31, 2024: US\$422.1 million) and were denominated in USD, RMB, JPY and HKD.

Use of Net Proceeds From Global Offering

The Company was successfully listed on the Main Board of the Stock Exchange on November 1, 2024. The net proceeds from the Global Offering (being the issue of 250,940,000 new Shares and including the partial exercise of the over-allotment option in respect of 14,091,000 new Shares at HK\$4.18 per Share) 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 June 30, 2025, the approximately US\$54.9 million net proceeds from the Global Offering which was not utilised were 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 Prospectus.

Purposes	Net proceeds from the Global Offering <i>US\$'000</i>	Approximate % of net proceeds from the Global Offering	Amounts utilized as at June 30, 2025 <i>US\$'000</i>	Amounts unutilized as at June 30, 2025 <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%	8.9	54.9	Before end of December 2026
Vessel chartering	31.9	25%	31.9	–	
Container leasing	19.2	15%	19.2	–	
Working capital and general corporate purposes	12.8	10%	12.8	–	
	<u>127.7</u>	<u>100%</u>	<u>72.8</u>	<u>54.9</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 June 30, 2025 was nil (December 31, 2024: nil), which is calculated by dividing the total bank borrowings by the total equity. The Group did not incur any bank borrowings in the first half of 2025 and 2024.

Pledge of Assets

The Group had no pledged assets as at June 30, 2025 and December 31, 2024. The Group did not have any banking facilities as at June 30, 2025 and December 31, 2024.

Capital Expenditures and Investment

For the six months ended June 30, 2025, the Group's total capital expenditures amounted to approximately US\$71.8 million, which was mainly related to the payments for construction of vessels and purchase of containers and was financed by internal resources. Save as disclosed above, the Group did not make any significant investments during the six months ended June 30, 2025.

Capital Commitment

As at June 30, 2025, the capital commitment for acquisition of property, plant and equipment amounted to approximately US\$578.1 million (December 31, 2024: US\$599.1 million).

Contingent Liabilities

As at June 30, 2025, 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 six months ended June 30, 2025. 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.

Financial Instrument

During the six months ended June 30, 2025, 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.

Interest Rate Risk and Foreign Exchange Risk

The Group has no significant interest-bearing assets other than bank balances and bank deposits as at June 30, 2025. The Group did not hold any financial instruments measured at fair value during the six months ended June 30, 2025. The Group's exposure to interest rate risk is not material.

The Group operates internationally and is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily RMB, JPY, USD, HKD and NTD. The Group did not carry out any hedging activities against foreign currency risk during the six months ended June 30, 2025. Any substantial fluctuation in exchange rate of foreign currencies against USD may have a financial impact to the Group.

Employees and Remuneration Policy

As at June 30, 2025, the Group had 972 employees (June 30, 2024: 981 employees). The total remuneration cost incurred by the Group for the six months ended June 30, 2025 was approximately US\$35.4 million (June 30, 2024: US\$32.1 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

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. During the six months ended June 30, 2025, 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 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.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code throughout the six months ended June 30, 2025.

Corporate Governance Measures to Avoid Potential Conflicts of Interest

As stated in the Prospectus, the Company has adopted certain measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the controlling shareholders of the Company (i.e. TS Investment Limited, Prevalence Holding Limited, Providence Holding Limited, AM Holding Limited, Maritime Legacy Limited, TS Chen Holding Limited, Search & Search Company Limited, JC Righteous Limited, Avermay Holding Limited, Vision Investments Limited, The Nova Foundation, Mr. Chen Teh-Sheng, Mrs. Chen Chuang Chuang-Li, Mr. Chen Shao-Hsiang, Ms. Chen I-Chi and General Sharafuddin Alsayed Mohd HSM

Yousif Sharaf) and their respective close associates (including TEH Shipping Lines Co., Ltd.). Accordingly, the independent non-executive Directors have conducted an annual review on whether there are any conflicts of interests between the Group and the above controlling shareholders and their respective close associates for the year ended December 31, 2024, and confirmed that they are not aware that there are any conflicts of interests between the Group and the above controlling shareholders and their close associates for the year ended December 31, 2024.

EVENTS AFTER THE REPORTING PERIOD

Save for the construction of six vessels mentioned in the Company's announcements dated August 7, 2025 and August 19, 2025, there have not been any significant events affecting the Group after the reporting period.

Sufficiency of Public Float

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Debentures in Issue

The Company did not have any debentures in issue during the six months ended June 30, 2025.

Equity-Linked Agreement

The Company did not enter into any equity-linked agreements during the six months ended June 30, 2025.

Purchase, Sale or Redemption of the Shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Shares during the six month ended June 30, 2025.

Pre-Emptive Rights

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

Scope of Work of the Auditor

Interim financial report of the Group for the six months ended June 30, 2025 prepared in accordance with HKAS 34, *Interim Financial Reporting*, is unaudited but has been reviewed by the independent external auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by HKICPA, whose unmodified review report is included in the interim report to be sent to shareholders.

Audit Committee

The Audit Committee has reviewed the unaudited consolidated interim financial information for the six months ended June 30, 2025. The Audit Committee is satisfied that the unaudited condensed consolidated financial statements for the six months ended June 30, 2025 have been prepared in accordance with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2025.

PUBLICATION OF INTERIM 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 interim report of the Company for the six months ended June 30, 2025 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, August 25, 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.