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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 ANNUAL RESULTS FOR
THE YEAR ENDED DECEMBER 31, 2025**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2025 was approximately US\$1,284.8 million, representing a decrease of approximately 4.2%.
- Gross profit for the year ended December 31, 2025 was approximately US\$253.7 million, representing a decrease of approximately 19.5%.
- Profit attributable to equity shareholders of the Company for the year ended December 31, 2025 was approximately US\$328.9 million, representing a decrease of approximately 10.1%.
- Basic earnings per Share attributable to equity shareholders of the Company for the year ended December 31, 2025 was approximately US\$0.198.
- A final dividend of US\$0.10 (equivalent to HK\$0.78 at the exchange rate of US\$1: HK\$7.8) per Share was declared for the year ended December 31, 2025.

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, 2025, together with the comparative figures for the year ended December 31, 2024, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	<i>Note</i>	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Revenue	<i>3(a)</i>	1,284,763	1,340,398
Cost of sales		<u>(1,031,069)</u>	<u>(1,025,372)</u>
Gross profit		253,694	315,026
Other revenue	<i>4</i>	114,507	92,735
Other net income	<i>4</i>	6,009	376
Administrative and other operating expenses		<u>(43,250)</u>	<u>(41,507)</u>
Profit from operations		330,960	366,630
Finance costs	<i>5(a)</i>	(3,067)	(2,732)
Share of profits less losses of associates		365	1,438
Share of profit of a joint venture		<u>1,191</u>	<u>580</u>
Profit before taxation	<i>5</i>	329,449	365,916
Income tax (expenses)/credit	<i>6</i>	<u>(562)</u>	<u>286</u>
Profit for the year		<u>328,887</u>	<u>366,202</u>
Attributable to:			
Equity shareholders of the Company		328,901	365,913
Non-controlling interests		<u>(14)</u>	<u>289</u>
Profit for the year		<u>328,887</u>	<u>366,202</u>
Earnings per Share	<i>8</i>		
Basic and diluted (US\$)		<u>0.198</u>	<u>0.254</u>

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Profit for the year	328,887	366,202
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>205</u>	<u>209</u>
Total comprehensive income for the year	<u>329,092</u>	<u>366,411</u>
Attributable to:		
Equity shareholders of the Company	329,101	366,101
Non-controlling interests	<u>(9)</u>	<u>310</u>
Total comprehensive income for the year	<u>329,092</u>	<u>366,411</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	<i>Note</i>	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Non-current assets			
Property, plant and equipment		1,569,019	1,597,620
Intangible assets		626	731
Prepayments for the acquisitions of vessels	9	230,789	134,632
Interests in associates		1,770	2,856
Interest in a joint venture		1,616	1,490
Deferred tax assets		123	152
		<u>1,803,943</u>	<u>1,737,481</u>
Current assets			
Bunkers		19,854	26,950
Contract assets	9	11,611	16,313
Trade and other receivables	9	113,939	118,789
Cash and cash equivalents		485,686	422,134
		<u>631,090</u>	<u>584,186</u>
Non-current assets classified as held for sale		<u>24,058</u>	–
		<u>655,148</u>	<u>584,186</u>
Current liabilities			
Contract liabilities	10	2,555	4,113
Trade and other payables	10	180,688	181,494
Lease liabilities		46,396	41,251
Tax payable		5,344	4,244
		<u>234,983</u>	<u>231,102</u>
Net current assets		<u>420,165</u>	<u>353,084</u>
Total assets less current liabilities		<u>2,224,108</u>	<u>2,090,565</u>
Non-current liability			
Lease liabilities		103,276	115,383
NET ASSETS		<u>2,120,832</u>	<u>1,975,182</u>
Capital and reserves			
Share capital		277,213	277,213
Reserves		1,843,454	1,697,495
Total equity attributable to equity shareholders of the Company		<u>2,120,667</u>	<u>1,974,708</u>
Non-controlling interests		<u>165</u>	<u>474</u>
TOTAL EQUITY		<u>2,120,832</u>	<u>1,975,182</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 HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**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 “**Listing Rules**”).

The financial information relating to the two financial years ended December 31, 2025 and 2024 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 Companies Ordinance is as follows:

The Company has delivered 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 and will deliver the consolidated financial statements for the year ended December 31, 2025 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, 2024 except for the accounting policy changes that are reflected in the consolidated financial statements for the year ended December 31, 2025 (see note 2).

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to the consolidated financial statements for the current accounting period. The amendments do not have a material impact on the consolidated financial statements 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:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of container shipping services	1,187,175	1,270,845
Other container shipping related services	97,588	69,553
	<u>1,284,763</u>	<u>1,340,398</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, 2025 and 2024.

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:

	2025	2024
	US\$'000	US\$'000
Hong Kong Special Administrative Region ("HKSAR")	51,865	86,011
Chinese Mainland	561,758	616,134
Taiwan	85,801	81,485
Philippines	125,863	126,859
Japan	117,278	102,345
Australia	53,271	56,018
Thailand	36,975	42,259
India	43,723	51,420
Other countries or regions	208,229	177,867
	<u>1,284,763</u>	<u>1,340,398</u>

4. OTHER REVENUE AND NET INCOME

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Other revenue		
Bank interest income	14,854	21,704
Rental income from containers	2,840	3,234
Charter hire revenue – vessels	96,813	67,797
	<u>114,507</u>	<u>92,735</u>
Other net income		
(Loss)/gain on disposals of property, plant and equipment	(15)	316
Loss on disposals of intangible assets	(8)	–
Net foreign exchange gain/(loss)	5,611	(305)
Gain on termination of a lease arrangement	41	223
Others	380	142
	<u>6,009</u>	<u>376</u>

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
(a) Finance costs		
Interest on lease liabilities	3,067	2,732
(b) Staff costs		
Contributions to defined contribution retirement plan*	766	1,177
Salaries, wages and other benefits		
– Administrative and other operating expenses*	29,459	27,071
– Cost of sales	44,036	41,843
	<u>74,261</u>	<u>70,091</u>
(c) Other items		
Auditors' remuneration*		
– Audit services	455	370
– Other non-audit services	119	913
Depreciation of right-of-use assets	55,355	91,188
Depreciation of property, plant and equipment (other than right-of-use assets)	100,817	85,620
Amortization of intangible assets	130	152
Cost of bunkers consumed	164,190	190,162
Listing expenses*	–	1,969
	<u>–</u>	<u>–</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:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Current tax – Hong Kong Profits Tax		
Under/(over)-provision in respect of prior years	70	(356)
Current tax – Outside Hong Kong		
Provision for the year	<u>463</u>	<u>222</u>
	533	(134)
Deferred tax		
Origination and reversal of temporary differences	<u>29</u>	<u>(152)</u>
	<u>562</u>	<u>(286)</u>

No provision for Hong Kong Profits Tax has been made for 2025 and 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 years ended December 31, 2025 and 2024 or their unused tax losses were sufficient to cover their estimated assessable profits for the years ended December 31, 2025 and 2024.

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

The Group 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 under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in HKSAR and certain other jurisdictions. No additional tax expenses were recognized during the year ended December 31, 2025 as management assessed that the exposure arising from Pillar Two model rules to be immaterial.

The Group has applied the temporary mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

7. DIVIDEND

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

	<i>Note</i>	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Interim dividend declared and paid of nil (2024: US\$0.214 per Share)	(i)	<u>–</u>	<u>300,000</u>
Final dividend proposed after the end of the reporting period of US\$0.100 per Share (2024: US\$0.110 per Share)	(ii)	<u>166,503</u>	<u>183,153</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 interim dividend per Share for the year ended December 31, 2024 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 Company.
- (ii) The final dividend per Share was calculated on the basis of 1,665,031,000 Shares in issue at the end of the reporting period.

Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of US\$0.110 per Share (2024: nil)	<u>183,153</u>	<u>–</u>

8. EARNINGS PER SHARE

The calculation of basic earnings per Share is based on the profit attributable to equity shareholders of the Company of US\$328,901,000 (2024: US\$365,913,000) and the weighted average number of Shares of 1,665,031,000 Shares (2024: 1,443,132,000 Shares) in issue, during the year.

	2025 <i>'000</i>	2024 <i>'000</i>
Issued Shares at January 1	1,665,031	140,000
Effect of Shares allotment at nil cash consideration	–	1,260,000
Effect of issuance of Shares upon IPO and partial exercise of the over-allotment option	<u>–</u>	<u>43,132</u>
Weighted average number of Shares at December 31	<u>1,665,031</u>	<u>1,443,132</u>

There are no dilutive potential Shares in issue during the years ended December 31, 2025 and 2024, 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

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade debtors, net of loss allowance	100,603	106,391
Other receivables, prepayments and deposits	13,336	12,398
	<hr/>	<hr/>
Current portion of trade and other receivables	113,939	118,789
Non-current prepayments for the acquisitions of vessels	230,789	134,632
	<hr/>	<hr/>
Contract assets	344,728	253,421
	11,611	16,313
	<hr/>	<hr/>
	356,339	269,734
	<hr/> <hr/>	<hr/> <hr/>

As at December 31, 2025, 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\$3,583,000 (2024: US\$5,838,000).

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:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Within 1 month	99,975	104,934
Over 1 month to 2 months	280	879
Over 2 months to 3 months	14	–
Over 3 months	334	578
	<hr/>	<hr/>
	100,603	106,391
	<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

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade payables	148,170	140,269
Other payables and accrued charges	19,781	28,908
Deposits received	<u>12,737</u>	<u>12,317</u>
	180,688	181,494
Contract liabilities	<u>2,555</u>	<u>4,113</u>
	<u>183,243</u>	<u>185,607</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, 2025 recognized as revenue was US\$4,113,000 (2024: US\$3,099,000).

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:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Within 1 month	112,715	97,827
Over 1 month to 3 months	34,534	40,799
Over 3 months	<u>921</u>	<u>1,643</u>
	<u>148,170</u>	<u>140,269</u>

BUSINESS REVIEW AND PROSPECTS

Market Overview in 2025

In 2025, the global shipping market continued the high volatility observed in the previous year. As the situation in the Red Sea had yet to fully normalize and most shipping routes had to divert around the Cape of Good Hope, the increased voyage distance and higher fuel costs exerted staged impacts on market supply. However, along with the progressive delivery of new vessels around the world, the pressure on supply-side gradually emerged, leading to a fluctuating yet gradually declining trend of freight rates throughout the year.

Meanwhile, U.S. tariff policies and supply chain restructuring continued to reshape trade flows, with the trend of shortening supply chains becoming increasingly definite. Enhanced manufacturing capabilities in Southeast Asia and the Indian subcontinent supported relatively stable demand for intra-regional trade and near-sea shipping routes. Overall, market supply and demand gradually returned to a normal state in 2025, with narrowing freight rate volatility compared to 2024, though all these were still influenced by geopolitical and policy factors.

Market Outlook

In 2026, the outlook of global container shipping market faces new uncertainties. It was generally anticipated that the annual demand would maintain a low to mid-single-digit growth, however, recent escalations in the Middle East conflicts including developments related to the situation in Iran have led to heightened market concerns over security risks in key shipping routes such as the Strait of Hormuz and the Red Sea, which may have impacts on global shipping supply and logistics efficiency.

Amid heightened geopolitical tensions, the voyage arrangement of certain shipping routes may need to be adjusted due to security concerns. The increased voyage distance and volatile energy prices may also boost transportation costs, further impacting global trade and shipping market demand. Meanwhile, major manufacturing economies in Asia rely heavily on energy supplies from the Middle East, and the related developments may pose certain influence on trade channels between Asia and the Middle East. The Group will continue to closely monitor the regional developments and prudently evaluate route deployment and risk management arrangements so as to maintain operational stability and market competitiveness.

2025 Business Review

Business Scope

The Group primarily provides container shipping services. The Group's fleet consists of both owned and chartered vessels, focusing on the Asia-Pacific market. 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 addition to Asia-Pacific routes, the Group also operates Asia – Mexico route and routes within the Middle East and the Red Sea and leverages on joint-operated and slot-swap cooperation to further expand its market coverage.

In 2025, the Group continued to adjust its route portfolio by exiting the Transpacific US West Coast route and optimizing its route structure in Asian regions to enhance shipping capacity utilization efficiency. In response to changing market demands and supply chain restructuring trends, the Group simultaneously strengthened its service footprint in Asia, Mexico, the Middle East, and the Red Sea markets, and also flexibly operated extra voyages during peak seasons so as to optimize overall capacity allocation.

Route and Shipping Capacity Development

By the end of 2025, the Group operated 46 routes (excluding any vessels we chartered out), comprising 11 self-operated routes, 23 joint-operated routes, 10 slot-swap routes, and 2 slot-purchasing routes. The Group's shipping network covers major trading markets in Asia and extends to regions such as Mexico, the Middle East, and the Red Sea, calling at 58 ports in approximately 22 countries and regions worldwide.

As of December 31, 2025, the Group's operating fleet covers a total of 41 vessels, comprising 37 owned vessels and 4 chartered vessels, with a total shipping capacity of 109,342 TEU. Additionally, the Group chartered out 4 owned vessels to enhance asset utilization efficiency.

During 2025, the Group had no new vessels delivered and maintained a relatively stable scale of shipping capacity. It also enhanced the overall operating flexibility by route adjustments and capacity optimization.

Revenue and Shipping Volume

As of December 31, 2025, the Group's total shipping volume reached 1,654,197 TEU, representing an increase of approximately 0.1% compared to the same period in 2024. The total revenue from container shipping services was approximately US\$1,187.2 million, representing a decrease of approximately 6.6% compared to the same period in 2024.

The revenue change in 2025 were mainly due to the decline in global freight rate from peak levels and the gradual adjustment of market supply and demand. With the growing supply of global shipping capacity, putting pressures on overall freight rates, the revenues in certain long-haul and high-rate markets recorded a decrease compared to the same period in 2024. Despite the market environment returning to a normal state, the Group maintained stable overall shipping volume through route consolidation and capacity allocation adjustments.

Moreover, the Group maintained steady growth in the Asia-Pacific shipping market in 2025. As of December 31, 2025, the total shipping volume in this market reached 1,498,459 TEU, representing an approximately 1.6% decrease from the same period in 2024. It still accounted for approximately 90.6% of our total shipping volume, demonstrating that the Asia-Pacific market remains the core of the Group's operations. During the same period, revenue from the Asia-Pacific shipping market reached approximately US\$1,010.4 million, representing a decrease of approximately 5.5% from approximately US\$1,069.5 million in 2024. Despite ongoing intense market competition, the Group maintained stable development in the regional market through flexible operational strategies and precise market positioning.

In respect of individual regional markets, for the Asia-Indian Subcontinent market, the shipping volume was 216,718 TEU, representing an increase of approximately 6.9% compared to the same period in 2024; the revenue was approximately US\$210.1 million, representing a decrease of approximately 12.5% compared to the same period in 2024. For the Asia-Oceania market, the shipping volume was 127,439 TEU, representing a decrease of approximately 1.9% compared to the same period in 2024; the revenue amounted to approximately US\$161.9 million, representing a decrease of approximately 17.1% compared to the same period in 2024. Additionally, the Greater China-North Asia market saw an increase in shipping volume of approximately 2.7% compared to the same period in 2024, with revenue of approximately US\$197.4 million, representing an increase of approximately 12.1% compared to the same period in 2024. For the Greater China market, the shipping volume increased by approximately 10.0% compared to the same period in 2024, with revenue of approximately US\$77.8 million, representing an increase of approximately 19.6% compared to the same period in 2024. However, for the North Asia-Southeast Asia market, the shipping volume recorded a decrease of approximately 29.3% compared to the same period in 2024, with revenue of approximately US\$35.5 million, representing a decrease of approximately 20.3% compared to the same period in 2024. The changes in revenue for these markets were primarily due to freight rate adjustments and market supply and demand.

For the key markets targeted in 2025 – Transpacific and Mexico, Middle East, and East Africa – the shipping volumes reached 60,665 TEU, 76,921 TEU, and 16,634 TEU, respectively, collectively accounting for approximately 9.3% of the total shipping volume during the same period. The revenues from these three markets were approximately US\$82.6 million, US\$69.4 million, and US\$22.6 million, respectively, collectively accounting for approximately 14.7% of total shipping revenue during the same period. Meanwhile, the Red Sea route began to make contribution of 1,428 TEU to our shipping volume and generated revenue of approximately US\$2.1 million in 2025.

Overall, our shipping volume structure underwent adjustments in 2025 compared to the same period in 2024, bringing about volume increase in some markets and decline in some others. The Group maintained overall operational stability during this stage of market supply and demand adjustments and continued to optimize its route network and revenue structure.

Business Development and Investment

For the year ended December 31, 2025, the Group's total capital expenditure was approximately US\$200.7 million, mainly for the purchase of 13 new vessels, including two 7,000 TEU, three 14,000 TEU, six 5,300 TEU, and two 2,900 TEU vessels. These vessels added approximately 93,600 TEU to our shipping capacity.

The new vessels are expected to be delivered sequentially between 2026 and 2028. These investments will further optimize the Group's fleet structure, enhance operational flexibility and economies of scale, while ensuring compliance with the latest environmental and regulatory requirements, supporting the Group's long-term sustainable development strategy.

Summary and Outlook

In 2025, the global shipping market saw supply and demand dynamics gradually returning to normal in spite of freight rates being under pressure and intensifying competition. Against this backdrop, the Group proactively adjusted its route portfolio and flexibly deployed capacity to maintain overall operational stability. In the meantime, it deepened its presence in key markets and strengthened its regional market foundations.

Looking ahead to 2026, market conditions remain uncertain. With a concentrated delivery of new vessels globally, market capacity supply is expected to continue to increase. Meanwhile, escalating tensions in the Middle East and security concerns over the Red Sea shipping lanes may impact global shipping supply and logistics efficiency. Additionally, shifts in trade policies and tariff measures by major economies may also affect global supply chains and cargo flows.

The Group will take a prudent approach against market fluctuations by continuously optimizing its route and vessel fleet mix, enhancing operational efficiency and risk management capabilities to sustain long-term stable development. Meanwhile, the Group maintains a low debt level and robust financial structure, providing considerable flexibility to navigate future market adjustments.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 4.2% from approximately US\$1,340.4 million for the year ended December 31, 2024 to approximately US\$1,284.8 million for the year ended December 31, 2025. This decrease was primarily due to a decrease of approximately 6.6% in revenue from container shipping services, from approximately US\$1,270.8 million for the year ended December 31, 2024 to approximately US\$1,187.2 million for the year ended December 31, 2025. The decline was in line with the decrease in average freight rates from approximately US\$769 per TEU in 2024 to approximately US\$718 per TEU in 2025, which was partially offset by the increase in revenue from other container shipping related services such as slottage revenue, demurrage and detention income. The Group's shipping volume slightly increased from 1,652,222 TEU in 2024 to 1,654,197 TEU in 2025.

Cost of Sales

The Group's cost of sales primarily consisted of container handling fees, bunkers costs, depreciation expenses, container rental and yard expenses, charter hire fees, port charges and vessel running costs. The Group's cost of sales was US\$1,025.4 million and US\$1,031.1 million for the years ended December 31, 2024 and 2025, respectively, and remained relatively stable. The cost of sales per TEU remained consistent in 2024 and 2025 at approximately US\$620.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit decreased by 19.5% from approximately US\$315.0 million for the year ended December 31, 2024 to approximately US\$253.7 million for the year ended December 31, 2025. The Group's gross profit margin decreased from 23.5% for the year ended December 31, 2024 to 19.7% for the year ended December 31, 2025, which was mainly attributable to the decrease in the average freight rates.

Other Revenue

The Group's other revenue increased by approximately 23.5% from approximately US\$92.7 million for the year ended December 31, 2024 to approximately US\$114.5 million for the year ended December 31, 2025. This was primarily due to the increase in charter hire revenue from vessels, which rose from approximately US\$67.8 million in 2024 to approximately US\$96.8 million in 2025. The increase mainly reflected a greater number of vessels the Group chartered out with higher charter rates, partially offset by a decrease in bank interest income from approximately US\$21.7 million for the year ended December 31, 2024 to approximately US\$14.9 million for the year ended December 31, 2025 which was mainly due to a decrease in interest rate and the reduction in the Group's bank deposits as a result of the prepayments for the acquisitions of vessels and dividends in 2025.

Other Net Income

The Group's other net income increased from approximately US\$0.4 million for the year ended December 31, 2024 to approximately US\$6.0 million for the year ended December 31, 2025, primarily due to the net foreign exchange gain of approximately US\$5.6 million for the year ended December 31, 2025, compared to the net foreign exchange loss of approximately US\$0.3 million for the year ended December 31, 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 by approximately 4.2% from approximately US\$41.5 million for the year ended December 31, 2024 to approximately US\$43.3 million for the year ended December 31, 2025, mainly due to salary increments.

Profit Attributable to Equity Shareholders of the Company

As a result of the aforementioned factors, the profit attributable to equity shareholders of the Company decreased by approximately 10.1% from approximately US\$365.9 million for the year ended December 31, 2024 to approximately US\$328.9 million for the year ended December 31, 2025.

Other Performance Indicators

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

	2025	2024
Return on equity ⁽¹⁾ (%)	16.1	19.5
Return on total assets ⁽²⁾ (%)	13.8	16.3
Current ratio ⁽³⁾ (Times)	2.8	2.5
Quick ratio ⁽⁴⁾ (Times)	2.7	2.4

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 decreased from approximately 19.5% in 2024 to approximately 16.1% in 2025, primarily reflecting the decrease in the profit attributable to equity shareholders of the Company.

Return on Total Assets

The Group's return on total assets decreased from approximately 16.3% in 2024 to approximately 13.8% in 2025, primarily because the increases in total assets outpaced the increases in net profits. Such decrease mainly results from the increase in (i) the prepayments for the acquisitions of vessels and (ii) cash and cash equivalents generated from operating activities.

Current Ratio and Quick Ratio

The Group's current ratio and quick ratio remained relatively stable in 2024 and 2025.

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, 2025, the Group had net current assets of approximately US\$420.2 million (2024: US\$353.1 million) of which cash and cash equivalents were approximately US\$485.7 million (2024: US\$422.1 million) and were denominated in US\$, RMB, JPY and HKD as at December 31, 2025.

Use of Net Proceeds from 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 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 December 31, 2025, the approximately US\$37.2 million net proceeds from the Global Offering which was not utilized 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 Company's prospectus dated October 24, 2024 (the "**Prospectus**").

Purposes	Net proceeds from the Global Offering <i>US\$'million</i>	Approximate % of net proceeds from the Global Offering	Amounts utilized as at December 31, 2025 <i>US\$' million</i>	Amounts unutilized as at December 31, 2025 <i>US\$' million</i>	Expected timetable for utilizing the unutilized net proceeds
Purchase of two new 7,000 TEU vessels ordered in April 2024	63.8	50%	26.6	37.2	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>90.5</u>	<u>37.2</u>	

* *The proceeds for working capital and general corporate purposes were used to pay for the cargo handling expenses.*

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, 2025 was nil (2024: nil), which is calculated by dividing the total bank borrowings by the total equity. The Group did not incur any bank borrowings in 2024 and 2025.

Pledge of Assets

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

Capital Expenditures and Investment

For the year ended December 31, 2025, the Group's total capital expenditures amounted to approximately US\$200.7 million, which was mainly related to the payments for purchases 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, 2025.

Capital Commitment

As at December 31, 2025, the capital commitment for acquisition of property, plant and equipment amounted to approximately US\$837.2 million (December 31, 2024: US\$599.1 million).

Contingent Liabilities

As at December 31, 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 year ended December 31, 2025.

Save as disclosed in the Prospectus, there was no plan authorized 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

Save as disclosed in the Prospectus and during the year ended December 31, 2025, the Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures.

Financial Instrument

During the year ended December 31, 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.

Employees and Remuneration Policy

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-free 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, 2025, the Group had 905 employees (2024: 908 employees). The total remuneration cost incurred by the Group for the year ended December 31, 2025 was approximately US\$74.3 million (2024: US\$70.1 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 Chinese Mainland and Taiwan, as required by applicable laws and regulations in Chinese Mainland 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, 2025.

EVENTS AFTER THE REPORTING PERIOD

Save for the disposal of vessel and vessel chartering mentioned in the Company’s announcements dated January 22, 2026 and January 29, 2026, and the sale of vessel to an independent third party for a consideration of US\$41,250,000, there have not been any significant events affecting the Group after the reporting period.

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 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, 2025 and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Company has adopted 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. Throughout the year ended December 31, 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 (“**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, 2025 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, 2025 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, 2025 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 Thursday, May 21, 2026 for the distribution of a final dividend of US\$0.10 (equivalent to HK\$0.78 at the exchange rate of US\$1: HK\$7.8) per Share for the year ended December 31, 2025 payable to the Shareholders whose names are listed in the register of members of the Company on Thursday, June 4, 2026, in an aggregate amount of US\$166.5 million. It is expected that the final dividend will be paid on Tuesday, July 7, 2026. 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 Thursday, June 25, 2026.

AGM AND CLOSURE OF THE REGISTER OF MEMBERS

The AGM will be held on Thursday, May 21, 2026. The notice of AGM and all other relevant documents will be published in April 2026.

For the purpose of determining who is entitled to attend the AGM, the register of members of the Company will be closed from Monday, May 18, 2026 to Thursday, May 21, 2026 (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 Friday, May 15, 2026.

In addition, the Company's register of members will be closed from Monday, June 1, 2026 to Thursday, June 4, 2026 (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 Friday, May 29, 2026.

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.tsllines.com/>). The annual report of the Company for the year ended December 31, 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, March 20, 2026

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.