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

The Board announces that on November 19, 2025, the Buyer and the Sellers entered into the 2025 Shipbuilding Contracts for the construction of two newbuilding vessels at an aggregate consideration of US$84,300,000 (equivalent to approximately HK$657,540,000) and each at a consideration of US$42,150,000 (equivalent to approximately HK$328,770,000).

On March 20, 2026, the Buyer further entered into the 2026 Shipbuilding Contracts, each on substantially the same terms, with the Sellers for the construction of four newbuilding vessels at an aggregate consideration of US$168,600,000 (equivalent to approximately HK$1,315,080,000) and each at a consideration of US$42,150,000 (equivalent to approximately HK$328,770,000).

LISTING RULES IMPLICATIONS

Since the 2026 Shipbuilding Contracts and the 2025 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 2026 Shipbuilding Contracts and the 2025 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.

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 2026 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.

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The material terms of the 2026 Shipbuilding Contracts and the 2025 Shipbuilding Contracts are as follows:

	The 2026 Shipbuilding Contracts	**The 2025 Shipbuilding Contracts**
Date:	March 20, 2026	November 19, 2025
Parties	(1) The Company or the Nominee Buyer, as the Buyer; and (2) Fujian Mawei and Xiamen Shipbuilding, as the Sellers	
Asset to be acquired:	Four 2,900 TEU container vessels, each to be constructed in accordance with the specifications set out in the respective 2026 Shipbuilding Contract	Two 2,900 TEU container vessels, each to be constructed in accordance with the specifications set out in the respective 2025 Shipbuilding Contract
Consideration:	US$42,150,000 (equivalent to approximately HK$328,770,000) for each vessel, amounting to an aggregate consideration of US$168,600,000 (equivalent to approximately HK$1,315,080,000) for all four vessels	US$42,150,000 (equivalent to approximately HK$328,770,000) for each vessel, amounting to an aggregate consideration of US$84,300,000 (equivalent to approximately HK$657,540,000) for all two vessels
Expected delivery date:	The vessels are expected to be delivered in May 2029, with the specific delivery date for each vessel to be determined in accordance with the respective 2026 Shipbuilding Contract	The vessels are expected to be delivered between June 2028 and August 2028, with the specific delivery date for each vessel to be determined in accordance with the respective 2025 Shipbuilding Contract
Payment terms:	For each vessel:	For each vessel:

(1) The expected payment of US$4,215,000 within five banking days after the receipt of the refund guarantee	(1) Payment of US$4,215,000 within five banking days after the receipt of the refund guarantee, which has been paid as of the date hereof

(2) The expected payment of US$4,215,000 within 2 months after the date of the first installment as set out above is paid and after receipt of the second installment of the refund guarantee

(3) The expected payment of US$4,215,000 within five banking days after receipt of the third installment of the refund guarantee and the first steel cutting

(4) The expected payment of US$4,215,000 within five banking days after receipt of the fourth installment of the refund guarantee and the keel laying

(5) The expected payment of US$4,215,000 within five banking days after receipt of the fifth installment of the refund guarantee and launching of the vessel

(6) The expected payment of US$21,075,000, subject to adjustments (where applicable) upon delivery of the vessel

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

The Company shall enter into an irrevocable, absolute, and unconditional guarantee in favor of the Sellers, under which it guarantees the due and punctual payment by the Buyer of the 2nd, 3rd, 4th and 5th installments of the consideration as set out above, as well as any interest accruing on late payments.

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 based on public market information and recent comparable transactions in the market;

(2) quotations provided by other shipbuilders for the construction of new vessels of similar type, size, and delivery schedule;

(3) 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

(4) the technical specifications, design, and expected performance of the vessels, including compliance with the latest environmental and safety standards.

It is currently expected that the consideration will be funded by internal resources of the Group and/or bank loans.

REASONS FOR AND BENEFITS OF THE CONSTRUCTION OF VESSELS

The Directors believe that the construction of the vessels 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 a total of six container vessels 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 2026 Shipbuilding Contracts and the 2025 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.

Fujian Mawei is a company established in the PRC with limited liability, and is principally engaged in shipbuilding business. Xiamen Shipbuilding is a company established in the PRC with limited liability, and is principally engaged in shipbuilding, fabricating and installing steel structures, ship repairing, manufacturing of offshore oil industry equipment, development of computer software and consulting businesses. Both Fujian Mawei and Xiamen Shipbuilding are subsidiaries of Fujian Shipbuilding, which is principally engaged in ship and marine engineering equipment construction and reparation and is a state-owned enterprise managed by the Fujian SASAC.

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 2026 Shipbuilding Contracts and the 2025 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 2026 Shipbuilding Contracts and the 2025 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.

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 2026 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.

DEFINITIONS

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

"2025 Shipbuilding Contract(s)"	each of the two shipbuilding contracts dated November 19, 2025 entered into between the Buyer and the Sellers in relation to the building and delivery of a total of two 2,900 TEU container vessels
"2026 Shipbuilding Contract(s)"	each of the four shipbuilding contracts dated March 20, 2026 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 2,900 TEU container vessels
"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

"Director(s)"	the director(s) of the Company
"Fujian Mawei"	Fujian Mawei Shipbuilding Co., Ltd. (福建省馬尾造船股份有限公司), a company established in the PRC with limited liability
"Fujian SASAC"	the State-owned Assets Supervision and Administration Commission of the People's Government of Fujian Province* (福建省人民政府國有資產監督管理委員會)
"Fujian Shipbuilding"	Fujian Shipbuilding Industry Group Co., Ltd. (福建省船舶工業集團有限公司), a company established in the PRC with limited liability
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	any person or company who is not a connected person of the Company and is a third party independent of the Company and its connected persons in accordance with the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Nominee Buyer"	buyer of any of the vessels under the 2026 Shipbuilding Contracts and the 2025 Shipbuilding Contracts, being a wholly-owned subsidiary of the Company
"PRC"	the People's Republic of China
"Sellers"	Fujian Mawei and Xiamen Shipbuilding
"Shareholder(s)"	holder(s) of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEU"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
"US$"	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
"Xiamen Shipbuilding"	Xiamen Shipbuilding Industry Co., Ltd. (廈門船舶重工股份有限公司), a company established in the PRC with limited liability

* *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, 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.

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