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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)**

# CONTINUING CONNECTED TRANSACTIONS VESSEL CHARTERING FROM THE TEH GROUP

Reference is made to (1) the Prospectus in relation to, among other things, the 2024 Master Vessel Charter Agreement entered into between the Company (for itself and on behalf of its subsidiaries) and Cross Strait Holding (a wholly-owned subsidiary of TEH Shipping) on October 22, 2024, for the provision of Vessel Chartering services from Cross Strait Holding to the Group for a term from November 1, 2024 to December 31, 2026, and (2) the announcement of the Company dated January 22, 2026 (the "**January Announcement**") in relation to, among other things, the January Vessel Charter Agreement for the chartering of Vessel B from TEH Shipping to TS Singapore on a short term basis from January 24, 2026 to March 31, 2026.

On April 29, 2026, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping (for itself and on behalf of its subsidiaries) entered into the New Master Vessel Charter Agreement for the Vessel Chartering, for a term commencing from May 1, 2026 to December 31, 2028. The 2024 Master Vessel Charter Agreement shall terminate and be superseded by the New Master Vessel Charter Agreement on May 1, 2026 as Cross Strait Holding, being a wholly-owned subsidiary of TEH Shipping and thus part of the TEH Group, is covered under the New Master Vessel Charter Agreement.

## LISTING RULES IMPLICATIONS

TEH Shipping is a majority-controlled company (as defined in the Listing Rules) of Mr. Chen Teh-Sheng and his family members, namely Mrs. Chen Chuang Chuang-Li, Mr. Chen Shao-Hsiang and Ms. Chen I-Chi. As such, TEH Shipping is an associate of the aforesaid Controlling Shareholders and thus a connected person of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the New Master Vessel Charter Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is also made to the January Announcement. Since the January Vessel Charter Agreement (which has expired on March 31, 2026) and the New Master Vessel Charter Agreement were entered into with TEH Shipping and within a 12-month period, the Company has aggregated the chartering of vessels under such contracts pursuant to Rule 14A.81 of the Listing Rules. Each of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules in respect of the Vessel Chartering under the New Master Vessel Charter Agreement (based on each of the annual caps), and (in respect of the size tests for the year 2025) as further aggregated with the January Vessel Charter Agreement, exceeds 0.1% but all of them are less than 5%, the entering into of the New Master Vessel Charter Agreement will constitute a continuing connected transaction of the Company subject to the reporting, annual review and announcement requirements but is exempted from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to (1) the Prospectus in relation to, among other things, the 2024 Master Vessel Charter Agreement entered into between the Company (for itself and on behalf of its subsidiaries) and Cross Strait Holding (a wholly-owned subsidiary of TEH Shipping) on October 22, 2024, for the provision of Vessel Chartering services from Cross Strait Holding to the Group for a term from November 1, 2024 to December 31, 2026, and (2) the January Announcement in relation to, among other things, the January Vessel Charter Agreement for the chartering of Vessel B from TEH Shipping to TS Singapore on a short term basis from January 24, 2026 to March 31, 2026.

On April 29, 2026, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping (for itself and on behalf of its subsidiaries) entered into the New Master Vessel Charter Agreement for the provision of Vessel Chartering services from the TEH Group to the Group for a term commencing from May 1, 2026 to December 31, 2028, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

The 2024 Master Vessel Charter Agreement shall terminate and be superseded by the New Master Vessel Charter Agreement on May 1, 2026 as Cross Strait Holding, being a wholly-owned subsidiary of TEH Shipping and thus part of the TEH Group, is covered under the New Master Vessel Charter Agreement.

The principal terms of the New Master Vessel Charter Agreement are as follows:

**Date:** April 29, 2026

**Parties:** (1) the Company (for itself and on behalf of its subsidiaries); and

(2) TEH Shipping (for itself and on behalf of its subsidiaries)

**Term:** May 1, 2026 to December 31, 2028

**Subject matter:** The provision of Vessel Chartering services by the TEH Group to the Group.

It is currently contemplated that the vessels to be chartered from the TEH Group to the Group include: (i) Vessel A (which has been chartering under the 2024 Master Vessel Charter Agreement); and (ii) an additional Vessel C.

## PRICING POLICIES

As a general principle, the price and terms in respect of the Vessel Chartering services provided pursuant to the New Master Vessel Charter Agreement shall be determined in the ordinary course of business, on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no less favorable to the Group than those available from Independent Third Parties.

Subject to the general principle disclosed above, the charter fees payable by the Group for the Vessel Chartering services shall be determined with reference to (i) the number, type and lease term of vessels required; and (ii) the prevailing market rate for the comparable type of vessels based on the standard charter hire index published in an industry report.

## HISTORICAL TRANSACTION AMOUNTS

The historical transaction amounts of actual charter fees payable by the Group to Cross Strait Holding in respect of the Vessel Chartering under the 2024 Master Vessel Charter Agreement for the years ended December 31, 2024 and 2025 amounted to approximately US$14,640,000 (equivalent to approximately HK$114,192,000) and US$11,821,000 (equivalent to approximately HK$92,203,800), respectively.

The historical transaction amounts of actual charter fees payable by TS Singapore to TEH Shipping in respect of the Vessel Chartering (of Vessel B) under the January Vessel Charter Agreement for the three months ended March 31, 2026 amounted to approximately US$1,178,100 (equivalent to approximately HK$9,189,180).

## ANNUAL CAPS

Our Directors estimate that the maximum amount of annual vessel charter fees payable from the Group to the TEH Group for the years ending December 31, 2026, 2027 and 2028 will not exceed US$18,000,000 (equivalent to approximately HK$140,400,000), US$19,000,000 (equivalent to approximately HK$148,200,000) and US$19,000,000 (equivalent to approximately HK$148,200,000), respectively.

These maximum charter fee amounts above were determined with reference to (i) the prevailing daily market rate for the comparable type of vessels based on the standard charter hire index published in an industry report and the anticipated market rate movements; (ii) the anticipated business volume for different trade lanes; and (iii) the corresponding anticipated requirements of the Group for vessels to be chartered from the TEH Group for the three years ending December 31, 2026, 2027 and 2028.

## REASONS FOR AND BENEFITS OF THE NEW MASTER VESSEL CHARTER AGREEMENT

The Vessel Chartering provides certainty of supply to meet the Group's operational requirements. The Group has been made aware that Vessel C, a vessel owned by TEH Shipping, is scheduled to undergo dry docking in April 2026, which is expected to improve its operational efficiency and overall technical condition. The Group believes that such visibility into Vessel C's maintenance schedule and anticipated performance affords the Group greater operational certainty than would typically be available when chartering vessels from Independent Third Parties in the open market. Therefore, the Group proposes to charter Vessel C from TEH Shipping. Considering that the 2024 Master Vessel Charter Agreement was entered into by Cross Strait Holding (which is a wholly-owned subsidiary of TEH Shipping) and therefore technically would not cover Vessel C (which is owned by TEH Shipping) and taking into account its forthcoming expiry at the end of this year, the Company considers that it would be in the interest of the Company and the Shareholders to enter into the New Master Vessel Charter Agreement which covers vessel chartering from the relevant members of the TEH Group (including Cross Strait Holding) to the Group from time to time.

The Directors (including the independent non-executive Directors) consider that the terms of the New Master Vessel Charter Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and 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 provides frequent services originating from the Greater Bay Area in China.

TS Singapore is a company incorporated in Singapore and a direct wholly-owned subsidiary of the Company. The principal activities of TS Singapore are the provision of container shipping and related services.

TEH Shipping is a company incorporated in Taiwan and is principally engaged in the provision of container shipping services with a focus on Cross-strait Trade Lanes between designated ports in mainland China and Taiwan. Cross-strait Trade Lanes refer to the trade lanes for shipping directly between designated ports in mainland China on one hand and designated ports in Taiwan on the other hand as stipulated under the Measures on the Administration of Cross-strait Shipping Operation (《台灣海峽兩岸間航運管理辦法》) and Hong Kong is not one of such designated ports.

TEH Shipping's business is geographically delineated from that of the Group, as it is licensed to operate Cross-strait Trade Lanes, which the Group is not permitted to operate under prevailing PRC regulatory requirements.

## LISTING RULES IMPLICATIONS

TEH Shipping is a majority-controlled company (as defined in the Listing Rules) of Mr. Chen Teh-Sheng and his family members, namely Mrs. Chen Chuang Chuang-Li, Mr. Chen Shao-Hsiang and Ms. Chen I-Chi. As such, TEH Shipping is an associate of the aforesaid Controlling Shareholders and thus a connected person of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the New Master Vessel Charter Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is also made to the January Announcement. Since the January Vessel Charter Agreement (which has expired on March 31, 2026) and the New Master Vessel Charter Agreement were entered into with TEH Shipping and within a 12-month period, the Company has aggregated the chartering of vessels under such contracts pursuant to Rule 14A.81 of the Listing Rules. Each of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules in respect of the Vessel Chartering under the New Master Vessel Charter Agreement (based on each of the annual caps), and (in respect of the size tests for the year 2025) as further aggregated with the January Vessel Charter Agreement, exceeds 0.1% but all of them are less than 5%, the entering into of the New Master Vessel Charter Agreement will constitute continuing connected transactions of the Company subject to the reporting, annual review and announcement requirements but is exempted from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Chen Teh-Sheng, Mr. Chen Shao-Hsiang and Mrs. Chen Chuang Chuang-Li (each a Director) had abstained from voting on the Board resolutions concerning the New Master Vessel Charter Agreement. Save and except for the aforesaid, no other Director has any material interest in the transactions under the New Master Vessel Charter Agreement and is required to abstain from voting on the Board resolutions to approve the same.

## DEFINITIONS

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

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| "2024 Master Vessel Charter Agreement" | the master vessel charter agreement dated October 22, 2024 entered into between the Company (for itself and on behalf of its subsidiaries) and Cross Strait Holding in respect of the Vessel Chartering |
| "Board" | the board of directors of the Company |
| "Chen Family Group" | Mr. Chen Teh-Sheng, Mrs. Chen Chuang Chuang-Li, Mr. Chen Shao-Hsiang and Ms. Chen I-Chi |
| "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" | has the meaning ascribed to it under the Listing Rules |
| "Controlling Shareholders" | has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to Mr. Chen Teh-Sheng, Mrs. Chen Chuang Chuang-Li, Mr. Chen Shao-Hsiang and Ms. Chen I-Chi in this announcement |
| "Cross Strait Holding" | Cross Strait Holding Limited, a company incorporated in the Marshall Islands with limited liability and a wholly-owned subsidiary of TEH Shipping |
| "Directors" | the directors of the Company |
| "Group" | the Company and its subsidiaries |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Independent Third Party(ies)" | person(s) or company(ies) who/which is/are not connected with the Company or its connected persons in accordance with the Listing Rules |
| "January Vessel Chartering" | the short term chartering of Vessel B by TS Singapore from TEH Shipping from January 24, 2026 to March 31, 2026 |
| "January Vessel Charter Agreement" | the tripartite novation agreement dated January 22, 2026 entered into among TS Singapore, Viscount Shipping Company Limited (a direct wholly-owned subsidiary of the Company) and TEH Shipping in respect of the January Vessel Chartering |

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| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "New Master Vessel Charter Agreement" | the new master vessel charter agreement dated April 29, 2026 entered into between the Company (for itself and on behalf of its subsidiaries) and TEH Shipping (for itself and on behalf of its subsidiaries) in respect of the Vessel Chartering |
| "PRC" | the People's Republic of China |
| "Prospectus" | the prospectus of the Company for its global offering dated October 24, 2024 |
| "Shareholders" | the shareholders of the Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "TEH Group" | TEH Shipping and its subsidiaries |
| "TEH Shipping" | TEH Shipping Lines Co., Ltd. (德勝航運股份有限公司), a company limited by shares and incorporated in Taiwan and a company owned as to 88.4% by the Chen Family Group, and a connected person of the Company |
| "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 |
| "TS Singapore" | TS Container Lines Pte. Ltd., a company incorporated in Singapore and a direct wholly-owned subsidiary of the Company |
| "US$" | United States dollars, the lawful currency of the United States |
| "Vessel A" | "TEH TAICHUNG", a container vessel built in 2007 with a capacity of 2,535 TEU |
| "Vessel B" | originally designated as "TS SHENZHEN" was changed to as "TEH PEACE" upon its delivery, a container vessel built in 2020 with a capacity of 1,081 TEU |
| "Vessel C" | "TEH VICTORY", a container vessel built in 2008 with a capacity of 987 TEU |

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| "Vessel Chartering" | the chartering of vessels by the Group from the TEH Group (or, as the case may be, relevant member(s) of the TEH Group) |
| % | per cent |

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

Hong Kong, April 29, 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.*