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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)

(1) TERMINATION OF THE MASTER CONTAINER LEASE AGREEMENT; AND (2) CONTAINER MANAGEMENT SERVICES

TERMINATION OF THE MASTER CONTAINER LEASE AGREEMENT

Reference is made to the Prospectus in relation to, among others, the Master Container Lease Agreement entered into between the Company (for itself and on behalf of its subsidiaries) and TEH Shipping (for itself and on behalf of its subsidiaries) on October 22, 2024, for the lease of containers from the Group to TEH Group for a term commencing from November 1, 2024 to December 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 Termination Deed, pursuant to which the parties mutually agreed to early terminate the Master Container Lease Agreement with effect from May 1, 2026.

CONTAINER MANAGEMENT SERVICES

On April 29, 2026, TS Singapore (a wholly-owned subsidiary of the Company) and TEH Shipping entered into the Container Management Services Agreement for the provision of Container Management Services by TS Singapore to TEH Shipping with respect to the TEH Containers, for a term commencing from May 1, 2026 to December 31, 2028.

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 connected persons of our Company for the purpose of the Listing Rules. Accordingly, the Termination Deed is subject to the announcement requirement under Rule 14A.35 of the Listing Rules and the transactions under the Container Management Services Agreement constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

As all the percentage ratios (other than the profits ratio) in respect of the Container Management Services Agreement are below 0.1%, the transactions contemplated under the Container Management Services Agreement constitute a de minimis transaction under Chapter 14A of the Listing Rules and are fully exempted from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Information about the Container Management Services Agreement and the transactions contemplated thereunder has been included in this announcement on a voluntary basis for completeness.

TERMINATION OF THE MASTER CONTAINER LEASE AGREEMENT

Reference is made to the Prospectus in relation to, among others, the Master Container Lease Agreement entered into between the Company (for itself and on behalf of its subsidiaries) and TEH Shipping (for itself and on behalf of its subsidiaries) on October 22, 2024, for the lease of containers from the Group to TEH Group for a term commencing from November 1, 2024 to December 31, 2026.

On April 29, 2026, in view of the entering into of the Container Management Services Agreement, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping (for itself and on behalf of its subsidiaries) mutually agreed and entered into the Termination Deed, pursuant to which the Master Container Lease Agreement will be early terminated with effect from May 1, 2026. No fee or other compensation will be payable for the Termination. Upon Termination, the Group shall cease to lease containers to TEH Group.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Termination Deed are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Board considers that the Termination Deed will not have any material adverse impact on the business, operation or financial condition of the Group taken as a whole.

CONTAINER MANAGEMENT SERVICES

On April 29, 2026, TS Singapore (a wholly-owned subsidiary of the Company) and TEH Shipping entered into the Container Management Services Agreement for the provision of Container Management Services by TS Singapore to TEH Shipping with respect to the TEH Containers for a term commencing from May 1, 2026 to December 31, 2028.

Historically, the Group had been generating income from leasing excess containers to TEH Shipping for its operation of its trade lanes when the Group's containers were not used for shipments pursuant to the Master Container Lease Agreement. While the Group will no longer lease containers to TEH Shipping upon Termination, pursuant to the Container Management Services Agreement, the Group can generate income from providing Container Management Services to TEH Shipping. Considering that the management fees and other terms under the Container Management Services Agreement are fair and reasonable, and taking into account the Group's experience and familiarity with the requirements with respect to TEH Shipping's containers, the Group considers it beneficial for TS Singapore to provide TEH Shipping with such Container Management Services to generate an additional income stream.

The amount of management fees receivable by TS Singapore from TEH Shipping in relation to the Container Management Services shall be US$5.75 per TEU per month and the actual amount of monthly management fees shall be calculated by reference to the actual number of containers contributed by TEH Shipping to TS Singapore during that month. Such management fees receivable by TS Singapore are determined with reference to (i) the maintenance costs incurred by TS Singapore for the containers (including container insurance); (ii) the license fee of the shipping management software system incurred by TS Singapore (which is calculated with reference to shipment volume); and (iii) a management fee by reference to the aforementioned costs and fees. The price and terms of the Container Management Services Agreement were determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis and at price and on terms no less favorable to the Group than those offered to Independent Third Parties.

With reference to the amount of management fees being US$5.75 per TEU per month and the total number of TEH Containers, the Company expects that the maximum amount of annual management fees receivable by TS Singapore from TEH Shipping for the years ending December 31, 2026, 2027 and 2028 will not exceed US$354,200 (equivalent to approximately HK$2,762,760), US$531,300 (equivalent to approximately HK$4,144,140) and US$531,300 (equivalent to approximately HK$4,144,140).

The Directors (including the independent non-executive Directors) consider that the terms of the Container Management Services Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 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 our Company for the purpose of the Listing Rules. Accordingly, the Termination Deed is subject to the announcement requirement under Rule 14A.35 of the Listing Rules and the transactions under the Container Management Services Agreement constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

As all the percentage ratios (other than the profits ratio) in respect of the Container Management Services Agreement are below 0.1%, the transactions contemplated under the Container Management Services Agreement constitute a de minimis transaction and are fully exempted from reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Information about the Container Management Services Agreement and the transactions contemplated thereunder has been included in this announcement on a voluntary basis and for completeness purposes.

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 Termination Deed and the Container Management Services Agreement. Save and except for the aforesaid, no other Director has any material interest in the transactions under each of the Termination Deed and Container Management Services 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:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"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
"Container Management Services"	the container management services provided by TS Singapore to TEH Shipping with respect to the TEH Containers pursuant to the Container Management Services Agreement
"Container Management Services Agreement"	the container management services agreement entered into between TS Singapore and TEH Shipping on April 29, 2026 for the provision of Container Management Services from TS Singapore to TEH Shipping for a term commencing from May 1, 2026 to December 31, 2028
"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
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"majority-controlled company"	has the meaning ascribed to it under the Listing Rules

"Master Container Lease Agreement"	the master container lease agreement entered into between the Company (for itself and on behalf of its subsidiaries) and TEH Shipping (for itself and on behalf of its subsidiaries) on October 22, 2024 for the leasing of containers from the Group to TEH Group for a term commencing from November 1, 2024 to December 31, 2026
"Prospectus"	the prospectus of the Company for its global offering dated October 24, 2024
"Shareholders"	holder(s) of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEH Containers"	(i) 2,300 20-foot standard containers and (ii) 2,700 40-foot high cube containers owned by TEH Shipping
"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
"Termination"	the termination of the Master Container Lease Agreement
"Termination Deed"	the deed of termination 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), pursuant to which the Master Container Lease Agreement shall be early terminated with effect from May 1, 2026
"TS Singapore"	TS CONTAINER LINES PTE. LTD., a company incorporated in Singapore and a wholly-owned subsidiary of the Company
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent

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, 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.