



T.S. Lines Limited

德翔海運有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 2510



2025

ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Teh-Sheng
(Chairman and Chief Executive Officer)
 Mr. Chen Shao-Hsiang (James) *(Vice Chairman)*
 Mrs. Chen Chuang Chuang-Li
 Mr. To Hung-Lin
 Mr. Chow Hong Man

Independent Non-Executive Directors

Mr. Wu Youn-Ger
 Mr. Chang Shan-Hui
 Mr. Yang Li-Yen

AUDIT COMMITTEE

Mr. Chang Shan-Hui *(Chairperson)*
 Mr. Wu Youn-Ger
 Mr. Yang Li-Yen

NOMINATION COMMITTEE

Mr. Chen Teh-Sheng *(Chairperson)*
 Mrs. Chen Chuang Chuang-Li
(Appointed on August 25, 2025)
 Mr. Wu Youn-Ger
 Mr. Chang Shan-Hui
 Mr. Yang Li-Yen

REMUNERATION COMMITTEE

Mr. Yang Li-Yen *(Chairperson)*
 Mr. Wu Youn-Ger
 Mr. Chang Shan-Hui

AUTHORIZED REPRESENTATIVES

Mr. Chow Hong Man
 Mr. Chan Chung Kik, Lewis

COMPANY SECRETARY

Mr. Chan Chung Kik, Lewis

LEGAL ADVISERS AS TO HONG KONG LAW

Allen Overy Shearman Sterling
 9th Floor, Three Exchange Square
 Central
 Hong Kong

AUDITORS

KPMG
 Certified Public Accountants and Public Interest Entity
 Auditor registered in accordance with the Accounting and
 Financial Reporting Council Ordinance
 8th Floor, Prince's Building
 10 Chater Road
 Central
 Hong Kong

COMPLIANCE ADVISOR

Innovax Capital Limited

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
 Shops 1712-1716
 17th Floor Hopewell Centre
 183 Queen's Road East
 Wan Chai
 Hong Kong

PRINCIPAL BANKERS

Bank of Taiwan
 Hua Nan Commercial Bank Ltd.
 Mega International Commercial Bank Co., Ltd.
 Taiwan Cooperative Bank Ltd

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN TAIWAN

6F
 No. 167, Tun-Hwa North Road
 Taipei
 Taiwan

REGISTERED OFFICE

9/F, C-Bons International Center
 108 Wai Yip Street
 Kowloon
 Hong Kong

COMPANY'S WEBSITE

<https://www.tslines.com/>

STOCK CODE

2510

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of T.S. Lines Limited, I would like to extend our sincere gratitude to you. Thanks to your long-standing trust and support, we were able to achieve steady growth amidst the rapidly evolving shipping market.

Looking back on 2025, the global shipping market remained highly volatile. Geopolitical risks have not been fully eliminated, with ongoing impact of the situation in the Red Sea region on vessel deviation arrangements. Changes in US-China trade policies and tariff adjustments also exerted profound effects on global supply chains. The shipping industry is no longer a "stable industry" in the traditional sense, with accelerating market cycle transition and uncertain external environment. Under such circumstances, the Company adheres to its flexible and rigorous decision-making principles, continuously assessing market changes and prudently adjusting operational strategies and resource allocation to cope with the uncertainties in external environment.

In 2025, the Company continued optimizing its fleet structure and asset allocation. As of December 31, 2025, the Company deployed a total of 41 vessels in our operations, with a total shipping capacity of 109,342 TEU, which comprised of 37 owned vessels with a capacity of 94,048 TEU, accounting for 86.0% of total shipping capacity, and four chartered vessels accounting for 14.0%. Additionally, the Company flexibly chartered out four owned vessels in the market so as to generate stable hire revenue and enhance asset utilization efficiency.

The current fleet of 37 owned vessels encompasses diverse specifications ranging from 1,000 TEU to 7,000 TEU, forming a relatively balanced layout in capacity structure, which facilitates flexible deployment across markets in different regions and for route demands, optimizing operational efficiency for both feeder and semi long-haul routes. For the next three years, the Company has planned to progressively deliver 13 new vessels, bringing an additional shipping capacity of approximately 93,600 TEU, which includes two 7,000 TEU, three 14,000 TEU, six 5,300 TEU and two 2,900 TEU vessels. Upon deployment, these new vessels will further optimize the fleet mix and scale economies, strengthening our competitive capabilities in key markets.

For route network layout, as of December 31, 2025, the Company operated a total of 46 routes, comprising 11 self-operated routes, 23 joint-operated routes, 10 slot-exchange routes, and 2 purchased-slot routes. The increased proportion of joint-operated routes reflects the Company's strategy to diversify risks and enhance resource utilization efficiency through strategic partnerships.

In 2025, the Company implemented prudent adjustments to its route planning strategy. In response to the U.S. tariff policy changes and supply chain restructuring trends, the Company focused on regional markets in Mexico and Southeast Asia, and strengthened the cooperative planning for Southeast Asia-Indian Subcontinent and Middle East routes. Our management team also flexibly added several extra voyages to its shipping schedule in peak season, including nine to Australia, eight to India and Pakistan, and one to the Middle East route. This capitalized on staged market opportunities to enhance overall revenue performance.

CHAIRMAN'S STATEMENT

Amidst declining global freight rates and increased market supply, our overall operations maintained stable performance in 2025. The Company recorded an operating revenue of approximately US\$1,284.8 million and the profit before taxation of approximately US\$329.4 million. The profit attributable to equity shareholders of the Company was approximately US\$328.9 million, with an earnings per share of approximately US\$0.20. The Board, after prudent consideration of the financial position and future capital expenditure plans, has recommended a final dividend of US\$0.10 per Share to reward our Shareholders for their support.

Looking ahead to 2026, the global market will continue to face pressures from rapid expansion in shipping capacity and demand adjustments. However, intra-Asia trade continues to grow and the manufacturing shift trends emerging in Southeast Asia and the Indian Subcontinent becomes definite, indicating a growth potential for regional shipping demands. The Company will adhere to its prudent management principles, continue to expand market presence and develop route networks, enhance operational efficiency and competitive strengths, so as to create long-term and high-growth value for shareholders.

Finally, on behalf of the Board, I would like to express our sincere thanks to all Shareholders, Directors, senior management and colleagues across the globe. Thanks to all of you for your continued support and dedication in an ever-evolving environment, enabling the Company to advance steadily and achieve sustained growth.

Chen Teh-Sheng

Chairman, executive Director and chief executive officer

March 20, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 was 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

As at December 31, 2025, the Company had used, and proposed to use, the net proceeds from the Global Offering according to the intentions previously disclosed by the Company in the Prospectus. 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 Prospectus.

Purposes	Net proceeds from the Global Offering US\$' million	Approximate % of net proceeds from the Global Offering	Amounts	Amounts	Expected timetable for utilizing the unutilized net proceeds
			utilized as at December 31, 2025 US\$' million	unutilized as at December 31, 2025 US\$' million	
Purchase of two new 7,000 TEU vessels ordered in April 2025	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	–	
	127.7	100%	90.5	37.2	

* 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 were mainly related to the payments for purchases of vessels and containers and were 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 annual report.

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.

INTEREST RATE RISK AND FOREIGN EXCHANGE RISK

Please refer to note 21 to the consolidated financial statements for the interest rate and currency risks that affected the Group during the year ended December 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chen Teh-Sheng (陳德勝), aged 74, founded the Group in March 2001. Mr. Chen was appointed as a Director on March 2, 2001 and was re-designated as an executive Director, chief executive officer and Chairman of the Board on April 25, 2023. He is responsible for formulating the overall business directions, strategic development and management of the Group and overseeing the Board. He currently holds directorships in various subsidiaries of the Group. Mr. Chen is the husband of Mrs. Chen, a Controlling Shareholder and an executive Director, and the father of Mr. James Chen, a Controlling Shareholder and an executive Director, and Ms. Christy Chen, a Controlling Shareholder.

Mr. Chen has over 44 years of experience in the shipping industry. Prior to founding the Group, from November 1981 to January 2000, he served in various positions at Wan Hai Lines, Ltd. (萬海航運) (“Wan Hai Lines”), a company principally engaged in container shipping in Taiwan, where he served for more than 10 years as its president and his last position as a senior advisor. He was primarily responsible for overseeing the overall management of Wan Hai Lines. Since April 2021, he has been serving as a director of CR Classification Society (財團法人中國驗船中心), a non-governmental and non-profit organization that primarily performs classification survey, statutory survey, technical consultation, independent survey and ISO 9001 certification for ships in Taiwan.

Mr. Chen obtained a bachelor’s degree in business administration from National Cheng Chi University in Taiwan in June 1975.

Mr. Chen Shao-Hsiang (James) (陳劭翔), aged 42, joined the Group as a Director and vice president on September 27, 2022 and was redesignated as an executive Director on April 25, 2023 and appointed as the Vice Chairman on March 28, 2025. Mr. James Chen is responsible for overseeing the Group’s planning, marketing and marine department and formulating the Group’s medium to long term strategies and investments. He currently holds directorships in various subsidiaries of the Group. Mr. James Chen is the son of Mr. Chen, the founder and chief executive officer, a Controlling Shareholder, an executive Director and Chairman of the Board, and Mrs. Chen, a Controlling Shareholder and an executive Director, and the brother of Ms. Christy Chen, a Controlling Shareholder.

Mr. James Chen has over 17 years of experience in the shipping industry. Prior to joining the Group, since July 2008, he successively served in various roles in TEH Shipping with his last position as a vice president since July 2018. From July 2008 to June 2009, he served as an auditor for overseas agents of TEH Shipping, where he was primarily responsible for managing the auditing the overseas agencies. From July 2009 to July 2014, he served as a planning specialist in the planning department of TEH Shipping, where he was primarily responsible for service design and financial analysis and agency management. From July 2014 to July 2018, he served as a junior vice president and head of the planning department of TEH Shipping, where he was primarily responsible for strategic planning, service design, agency management and partners relations liaison. Since August 2008, he has also been serving as a director of TSSA, where he is primarily responsible for overseeing the strategic development and management.

Mr. James Chen obtained a bachelor’s degree in management from the London School of Economics & Political Science in the United Kingdom in July 2007. He also obtained a master’s degree in energy, trade and finance from Bayes Business School of City, University of London (formerly known as Cass Business School of City, University of London) in the United Kingdom in October 2008.

DIRECTORS AND SENIOR MANAGEMENT

Mrs. Chen Chuang Chuang-Li (莊壯麗), aged 71, joined the Group in March 2001. Mrs. Chen was appointed as a Director on November 3, 2006 and was redesignated as an executive Director on April 25, 2023 and appointed as a member of nomination committee on August 25, 2025. She is responsible for overseeing the strategic development and financial affairs of the Group. Mrs. Chen is the wife of Mr. Chen, the founder, chief executive officer and Chairman of the Board, a Controlling Shareholder and an executive Director, and the mother of Mr. James Chen, a Controlling Shareholder and an executive Director, and Ms. Christy Chen, a Controlling Shareholder.

Mrs. Chen has over 25 years of experience in the shipping industry. Prior to joining the Group, from August 1972 to January 1975, Mrs. Chen worked at Yu Chang Paper Products Co., Ltd. (裕昌紙器股份有限公司), a pulp and paper company in Taiwan. From April 1975 to August 1984, she worked at You Li Paper and Carton Co., Ltd. (友力紙業股份有限公司), a pulp and paper company in Taiwan. Since November 2000, she has been serving as a director and the chairlady of TSSA, a shipping agency company wholly-owned by Mr. Chen and his family members, namely Mrs. Chen, Mr. James Chen and Ms. Christy Chen, where she is primarily responsible for overseeing the strategic development and management.

Mrs. Chen graduated with a major in business from National Keelung Commercial & Industrial Vocational Senior High School in Taiwan in July 1972.

DIRECTORS AND SENIOR MANAGEMENT

Mr. To Hung-Lin (涂鴻麟), aged 53, joined the Group and was appointed as a Director on May 13, 2015 and was redesignated as an executive Director on April 25, 2023. Mr. To has served in various positions in the Group with his latest position as an executive Director and president of the Company. He is responsible for overseeing the operations and day-to-day management of the Group.

Mr. To has over 29 years of experience in the shipping industry. Prior to joining the Group, from July 1996 to June 2001, he served in various positions at Wan Hai Lines, with his last position as a foreign representative, where he was primarily responsible for managing the overseas sales functions of the company in various regions including Singapore, Malaysia and China.

Mr. To obtained a bachelor's degree of business in international business from Soochow University (東吳大學) in Taiwan in June 1994. He also obtained a master's degree of business in shipping management from National Taiwan Ocean University in Taiwan in June 2008. He obtained a teaching certificate issued by the Ministry of Education of Taiwan in February 2009.

Mr. Chow Hong Man (周航敏), aged 56, joined the Group in April 2001 as the general manager and was appointed as a Director on October 6, 2008 and was redesignated as an executive Director on April 25, 2023. He is responsible for overseeing the operations and day-to-day management of the Company in Hong Kong.

Mr. Chow has over 30 years of experience in the shipping industry. Prior to joining the Group, from May 1995 to May 2001, he served as a manager of the sales department at Wan Hai Lines (HK) Limited, a subsidiary of Wan Hai Lines in Hong Kong. Since March 2007, he has been serving as a director of Chinatop Shipping Co. Limited (漢峰船務有限公司), a shipping agency company with a focus on the wider Pearl River Delta Region, where he is primarily responsible for non-executive functions of the company. From February 2014 to January 2022, he served as a director at Hande International Trade Limited (漢德國際貿易有限公司), a trading company in Hong Kong, where he was primarily responsible for non-executive functions of the company. From March 2019 to January 2022, he served as a director at HT Airfreight Co., Ltd. (匯德空運物流有限公司), an air freight company in Chinese Mainland and Hong Kong, where he was primarily responsible for non-executive functions of the company.

Mr. Chow obtained a bachelor's degree in statistics from The Chinese University of Hong Kong in Hong Kong in December 1995.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wu Youn-Ger (吳榮貴), aged 75, was appointed as an independent non-executive Director on October 15, 2024. He is responsible for supervising and providing independent advice to the Board.

Mr. Wu has over 47 years of experience in the education and shipping industry. Prior to joining the Group, from December 1977 to October 1978, he served as a researcher at the Import and Export Prices Review Committee (進出口物價審議委員會) of the Directorate General of Budgeting, Accounting & Statistics, Executive Yuan (行政院主計處), where he was primarily responsible for compiling the inaugural Import and Export Price Index for publication. From August 1978 to January 2002, he served in various positions as an instructor, associate professor, professor and chairman of the Department of Shipping & Transportation Management (航運管理學系), the dean of Student Affairs (訓導長) and the dean of College of Marine Science (海運學院) at National Taiwan Ocean University (台灣海洋大學). From September 1998 to July 2001, he served as the director general of Department of Navigation and Aviation (航政司) under the Ministry of Transportation and Communication of Taiwan, where he was primarily responsible for the administration of authorities in the maritime, port and civil aviation industries. From February 2002 to January 2005, he served as the president of Taipei University of Marine Technology (台北海洋科技大學) (formerly known as China College of Marine Technology and Commerce (中國海事商業專科學校)), where he was primarily responsible for college administration. From February 2005 to January 2016, he served as a professor at the Department of Marketing & Logistics Management (行銷與物流管理系) and the dean of College of Business Management (商管學院) of Taipei City University of Science and Technology (台北市科技大學). From September 2016 to June 2019, Mr. Wu served as an independent director of Chien Shing Harbour Service Co., Ltd. (建新國際股份有限公司), a company principally engaged in port terminal, trucking and warehousing services in Taiwan and whose shares are listed on the Taiwan Stock Exchange (stock code: 8367), where he was primarily responsible for supervising and providing independent advice to the board. From August 2008 to June 2018, he served as a director of Yang Ming Marine Transport Corporation (陽明海運股份有限公司), a company principally engaged in marine transportation services in Taiwan and whose shares are listed on the Taiwan Stock Exchange (stock code: 2609).

Mr. Wu obtained a bachelor's degree in shipping, transportation and management from National Taiwan Ocean University in Taiwan in June 1973. He obtained a master's degree in economics from Chinese Cultural University (中國文化大學) (a university in Taiwan) in June 1977. He also obtained a doctor's degree in economics from the University of Hawaii at Manoa in the U.S. in August 1983.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chang Shan-Hui (張山輝), aged 73, was appointed as an independent non-executive Director on October 15, 2024. He is responsible for supervising and providing independent advice to the Board.

Mr. Chang has over 37 years of experience in accounting. Prior to joining the Group, from July 1988 to December 1989, he founded and served as the person-in-charge and lead accountant at Chang, Shan-Hui CPA Firm (張山輝會計師事務所), an accounting firm in Taiwan. From January 1990 to December 1997, he served as a partner at Shin Ding Joint CPAs' Firm (欣鼎聯合會計師事務所), an accounting firm in Taiwan, where he was primarily responsible for overseeing and managing the operations of the firm's Kaohsiung branch. From January 1998 to December 2010, he served as a partner of WeTec International CPAs (誠品聯合會計師事務所), an accounting firm in Taiwan, where he was primarily responsible for overseeing and managing the operations of the firm's Kaohsiung branch. Since January 2011, he has been serving as a partner and the person-in-charge of the Kaohsiung branch of EnWise CPAs & Co. (建智聯合會計師事務所), an accounting firm in Taiwan, where he has been primarily responsible for managing the operations of the firm's Kaohsiung branch.

Since April 1999, Mr. Chang successively served as a supervisor and director at Thinking Electronic Industrial Co., Ltd. (興勤電子工業股份有限公司), a company principally engaged in the production and sales of thermistors, varistors, electronic components in Taiwan whose shares are listed on the Taiwan Stock Exchange (stock code: 2428). From June 2008 to June 2014, he served as a supervisor at Bank of Kaohsiung Co. Ltd., a commercial bank headquartered in Kaohsiung whose shares are listed on the Taiwan Stock Exchange (stock code: 2836). From June 2008 to June 2014, he served as a director of Yung Chi Paint & Varnish MFG. Co., Ltd (永記造漆工業股份有限公司), a paint manufacturing factory in Taiwan whose shares are listed on the Taiwan Stock Exchange (stock code: 1726). From February 2007 to December 2025, Mr. Chang has been serving as a supervisor at Jin Lian Cheng Resources and Technology Co., Ltd. (金聯成資源科技股份有限公司), a company principally engaged in recycling of lead-acid and lithium batteries in Taiwan. From April 2011 to August 2023, he served as a reorganization supervisor at Panbiotic Laboratories Co., Ltd. (台灣汎生製藥廠股份有限公司), a pharmaceutical company in Taiwan. From October 2015 to November 2019, he served as an independent director at Taiwan Artcci Co., Ltd. (台灣藝術股份有限公司), a company principally engaged in the artwork sales and exhibitions, development of art villages for tourists and other art and cultural activities in Taiwan whose shares were listed on the Taipei Emerging Stock Market (stock code: 8479), where he was primarily responsible for supervising and providing independent advice to the board.

Mr. Chang obtained a bachelor's degree in business administration from National Cheng Chi University (國立政治大學) in Taiwan in June 1975. He also obtained a certified public accountant qualification issued by the Ministry of Finance of Taiwan (台灣財政部) in September 1988. Mr. Chang was awarded the Praised Tax Agent (績優稅務代理人) by the Ministry of Finance of Taiwan (台灣財政部) in June 2012.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yang Li-Yen (楊豐彥), aged 73, was appointed as the independent non-executive Director on October 15, 2024. He is responsible for supervising and providing independent advice to the Board.

Mr. Yang has over 46 years of experience in the banking and finance industry. Prior to joining the Group, from April 1979 to July 2012, he served in various positions at Bank of Taiwan (台灣銀行), a commercial bank in Taiwan, with his last position as an executive vice president, where he was primarily responsible for overseeing and managing the bank's overall operations. From June 2006 to November 2010, November 2010 to September 2016 and July 2012 to September 2016, he served as a supervisor, director and president, respectively, at Hua Nan Commercial Bank, Ltd. (華南商業銀行股份有限公司), a commercial bank in Taiwan, where he was primarily responsible for the bank's overall operations. From September 2016 to February 2018, he served as the president and director at Mega International Commercial Bank Co., Ltd. (兆豐國際商業銀行股份有限公司), a commercial bank in Taiwan, and a general manager and director of Mega Financial Holdings Co., Ltd. (兆豐金融控股股份有限公司), a financial corporation in Taiwan whose shares are listed on the Taiwan Stock Exchange (stock code: 2886), where he was primarily responsible for the overall operations. Since June 2020, he has been serving as an independent director, convener of the audit committee and the remuneration committee at Kuo Yang Construction Co., Ltd. (國揚實業股份有限公司), a construction company in Taiwan whose shares are listed on the Taiwan Stock Exchange (stock code: 2505), where he is primarily responsible for supervising and providing independent advice to the board.

Mr. Yang obtained a bachelor's degree in business administration from National Taiwan University in Taiwan in June 1975. He also passed the senior financial personnel examination (金融人員高等考試) in Taiwan in December 1978.

SENIOR MANAGEMENT

Mr. Huang Jen-Chieh (黃仁傑), aged 54, joined the Company as a senior vice president in September 2022. He is primarily responsible for overseeing and managing the landside operations, ship building, vessel and crew management of the Group. Mr. Huang has over 29 years of experience in the shipping industry. Prior to joining the Group, from July 1996 to May 2001, he served as a container terminal project manager at Wan Hai Lines, where he was primarily responsible for construction coordination and operational set-up of the new terminal. Since May 2001, he successively served in various roles in TEH Shipping such as manager of the operations department and vice president, with his last position as a senior vice president. From October 2018 to January 2023, Mr. Huang served as a director of Taiwan Foundation International Pte. Ltd. (台源國際控股股份有限公司), a company principally engaged in the investment of global logistics in Southeast Asian countries in Singapore, where he is primarily responsible for reviewing and endorsing investment decisions of the company.

Mr. Huang obtained a bachelor's degree in transportation engineering and management from National Yang Ming Chiao Tung University in Taiwan in June 1994.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Mr. Chan Chung Kik, Lewis (陳仲戟), aged 52, joined the Group in May 2022 as the chief financial officer and was appointed as the company secretary on September 27, 2022. Mr. Chan has over 29 years of experience in auditing, accounting and corporate finance. Mr. Chan obtained a bachelor's degree of commerce in accounting from University of Canberra in Australia in September 1997. He was admitted as a fellow of the Hong Kong Institute of Certified Public Accountants since March 2015 and a fellow of CPA Australia since February 2026.

REPORT OF THE DIRECTORS

The Directors are pleased to present this report to the Shareholders together with the audited consolidated financial statements of the Group for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of container shipping services and investment holding and the activities of its subsidiaries are set out in note 12 to the consolidated financial statements. There was no significant change in the nature of the Group's activities during the year ended December 31, 2025.

FINANCIAL STATEMENTS

The financial performance of the Group for the year ended December 31, 2025 and the financial position of the Group as of December 31, 2025 are set out in the consolidated financial statements on pages 64 to 70 of this annual report.

GROUP FINANCIAL SUMMARY

A summary of the Group's results and assets and liabilities for the past five financial years is set out in the section headed "Five Years Financial Summary" of this annual report.

BUSINESS REVIEW

A review of the business of the Group for the year ended December 31, 2025 and the future development of the Group's business is set out in the section headed "Chairman's Statement" on pages 3 to 4 of this annual report. Financial and business performance analysis is disclosed in the section headed "Management Discussion and Analysis" on pages 5 to 14. The principal risks and uncertainties affecting the Group's results and business can be found in note 21 to the consolidated financial statements. The Board recognizes the importance of environmental protection and has adopted stringent measures for environmental protection in order to ensure the Group's compliance with the prevailing environmental protection laws and regulations. Additional details regarding the Company's performance on environmental and social-related key performance indicators and policies are provided in the "Environmental Policies and Performance" of this Report of the Directors on page 37.

Compliance with relevant laws and regulations which have a significant impact on the Company are provided in the "Compliance with laws and regulations" of this Report of the Directors; and an account of the Company's relationships with its employees, customers, suppliers, Shareholders, etc. are disclosed, in "Relationship with Stakeholders" of this Report of the Directors on pages 38 to 39.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors of the Company during the year ended December 31, 2025 and up to the date of this annual report are:

Executive Directors

Mr. Chen Teh-Sheng (*Chairman and Chief Executive Officer*)

Mr. Chen Shao-Hsiang (James) (*Vice Chairman*)

Mrs. Chen Chuang Chuang-Li

Mr. To Hung-Lin

Mr. Chow Hong Man

Independent Non-Executive Directors

Mr. Wu Youn-Ger

Mr. Chang Shan-Hui

Mr. Yang Li-Yen

In accordance with Article 122 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, Mr. Chen Shao-Hsiang, Mr. To Hung-Lin and Mr. Wu Youn-Ger shall retire from their office by rotation at the forthcoming AGM. Mr. Chen Shao-Hsiang, Mr. To Hung-Lin and Mr. Wu Youn-Ger, being eligible, will offer themselves for re-election at the AGM.

A list of directors of the subsidiaries of the Company during the year ended December 31, 2025 and up to the date of this annual report is kept at the Company's registered office and available for inspection by the Shareholders during office hours.

REPORT OF THE DIRECTORS

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographies of the Directors and senior management of the Group are set out in the section headed “Directors and Senior Management” in this annual report.

DIRECTORS’ SERVICE CONTRACTS

All executive Directors have entered into service contracts with the Company effective from their respective appointment dates, which remain in force until terminated according to the contract terms. Under these contracts, either the executive Director or the Company may terminate the appointment with a written notice of at least three months. Independent non-executive Directors have signed appointment letters with the Company, with terms set for three years. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

None of the Directors proposed for re-election at the AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONTINUING CONNECTED TRANSACTIONS

During the year ended December 31, 2025, the Group had conducted the following transactions which constituted continuing connected transactions (as defined in the Listing Rules), which are subject to the reporting and annual review requirements pursuant to Rule 14A of the Listing Rules:

1. Vessel Chartering Services from Cross Strait Holding to the Group

On October 22, 2024, the Company (for itself and on behalf of its subsidiaries) and Cross Strait Holding entered into a master agreement (the “**Master Vessel Charter Agreement**”) for the provision of vessel chartering services (the “**Vessel Chartering Services**”) from Cross Strait Holding to the Group for a term commencing from November 1, 2024 to December 31, 2026, 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.

Cross Strait Holding is a wholly-owned subsidiary of TEH Shipping. TEH Shipping is a majority-controlled company (as defined in the Listing Rules) of Mr. Chen and his family members, namely Mrs. Chen, Mr. James Chen and Ms. Christy Chen. As such, Cross Strait Holding and TEH Shipping are associates of the aforesaid Controlling Shareholders and thus connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Vessel Charter Agreement constitute continuing connected transactions of the Company.

REPORT OF THE DIRECTORS

The transactions under the Master Vessel Charter Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The following table is a summary of the transaction amount and the annual cap for the year ended December 31, 2025 for the transactions contemplated under the Master Vessel Charter Agreement:

	Transaction amount for the year ended December 31, 2025 (US\$'000)	Annual cap for the year ended December 31, 2025 (US\$'000)
Vessel Chartering Services from Cross Strait Holding to the Group	11,821	16,000

2. TSTW Slot Charters from the Group to TEH Shipping

On October 22, 2024, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping entered into a master agreement (the "**Master TSTW Slot Charter Agreement**") for the chartering of slots for trade lane(s) between Taiwan and Hong Kong (the "**TSTW Slot Charters**") from the Company (or its subsidiaries) to TEH Shipping for a term commencing from November 1, 2024 to December 31, 2026, 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.

On August 25, 2025, in view of the increase in TEH Shipping's slot fee rates on TSTW Slot charters, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping entered into an amended and restated agreement to revise the existing annual caps for the year ended December 31, 2025 and the year ending December 31, 2026 under a master agreement (the "**Amendment Master TSTW Slot Charter Agreement**") for the TSTW Slot Charters. Save for the revision of the existing annual caps, all other terms and conditions (including the pricing policies) under the Master TSTW Slot Charter Agreement remain unchanged. For further information, please refer to the Company's announcement dated August 25, 2025.

TEH Shipping is a majority-controlled company (as defined in the Listing Rules) of Mr. Chen and his family members, namely Mrs. Chen, Mr. James Chen and Ms. Christy Chen. As such, TEH Shipping is an associate of the aforesaid Controlling Shareholders and thus connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the Amendment Master TSTW Slot Charter Agreement constitute continuing connected transactions of the Company.

The transactions under the Amendment Master TSTW Slot Charter Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

The following table is a summary of the transaction amount and the annual cap for the year ended December 31, 2025 for the transactions contemplated under the Amendment Master TSTW Slot Charter Agreement.

	Transaction amount for the year ended December 31, 2025 (US\$'000)	Annual cap for the year ended December 31, 2025 (US\$'000)
TSTW Slot Charters from the Group to TEH Shipping	4,498	6,000

3. TSHK Slot Charters from TEH Shipping to the Group

On October 22, 2024, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping entered into a master agreement (the “**Master TSHK Slot Charter Agreement**”) for the chartering of slots from TEH Shipping to the Company (or its subsidiaries) (the “**TSHK Slot Charters**”) for a term commencing from November 1, 2024 to December 31, 2026, 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.

On August 1, 2025, in view of the anticipated increase in the Group’s demand for slot chartering, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping entered into an amended and restated agreement to revise the existing annual caps for the year ended December 31, 2025 and the year ending December 31, 2026 under the master agreement (the “**Amendment Master TSHK Slot Charter Agreement**”) for the TSHK Slot Charters. Save for the revision of the existing annual caps, all the other terms and conditions (including the pricing policies) under the Master TSHK Slot Charter Agreement remain unchanged. For further information, please refer to the Company’s announcement dated August 1, 2025.

TEH Shipping is a majority-controlled company (as defined in the Listing Rules) of Mr. Chen and his family members, namely Mrs. Chen, Mr. James Chen and Ms. Christy Chen. As such, TEH Shipping is an associate of the aforesaid Controlling Shareholders and thus connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the Amendment Master TSHK Slot Charter Agreement constitute continuing connected transactions of the Company.

The transactions under the Amendment Master TSHK Slot Charter Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

The following table is a summary of the transaction amount and the annual cap for the year ended December 31, 2025 for the transactions contemplated under the Amendment Master TSHK Slot Charter Agreement:

	Transaction amount for the year ended December 31, 2025 (US\$'000)	Annual cap for the year ended December 31, 2025 (US\$'000)
TSHK Slot Charters from TEH Shipping to the Group	4,709	6,000

4. Sales and Marketing Services from the Group to TEH Shipping

On October 22, 2024, the Company (for itself and on behalf of its subsidiaries) entered into a sales and marketing services agreement (the “**Sales and Marketing Services Agreement**”) with TEH Shipping, pursuant to which the Group agreed to provide sales and marketing services to TEH Shipping for its container shipping business (the “**Sales and Marketing Services**”). The Sales and Marketing Services Agreement has a term commencing from November 1, 2024 to December 31, 2026, 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.

TEH Shipping is a majority-controlled company (as defined in the Listing Rules) of Mr. Chen and his family members, namely Mrs. Chen, Mr. James Chen and Ms. Christy Chen. As such, TEH Shipping is an associate of the aforesaid Controlling Shareholders and thus connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the Sales and Marketing Services Agreement constitute continuing connected transactions of the Company.

The transactions under the Sales and Marketing Services Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The following table is a summary of the transaction amount and the annual cap for the year ended December 31, 2025 for the transactions contemplated under the Sales and Marketing Services Agreement:

	Transaction amount for the year ended December 31, 2025 (US\$'000)	Annual cap for the year ended December 31, 2025 (US\$'000)
Sales and Marketing Services from the Group to TEH Shipping	596	830

REPORT OF THE DIRECTORS

5. Taiwan Agency Services from TSSA to the Group

On October 22, 2024, the Company (for itself and on behalf of its subsidiaries) entered into an agency service framework agreement (the “**Taiwan Agency Service Framework Agreement**”) with TSSA (for itself and on behalf of its subsidiaries), pursuant to which TSSA agreed to provide shipping agency services and other ancillary services to the Group within Taiwan, including but not limited to port agency, liner agency, inland agency, marketing and sales and container traffic management (the “**Taiwan Agency Services**”). The Taiwan Agency Service Framework Agreement has a term commencing from November 1, 2024 to December 31, 2026, 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.

TSSA is wholly-owned by Mr. Chen and his family members, namely Mrs. Chen, Mr. James Chen and Ms. Christy Chen, each being one of the Controlling Shareholders. As such, TSSA and its subsidiaries are associates of the aforesaid Controlling Shareholders and thus connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the Taiwan Agency Service Framework Agreement constitute continuing connected transactions of the Company.

The transactions under the Taiwan Agency Service Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The following table is a summary of the transaction amount and the annual cap for the year ended December 31, 2025 for the transactions contemplated under the Taiwan Agency Service Framework Agreement:

	Transaction amount for the year ended December 31, 2025 (US\$'000)	Annual cap for the year ended December 31, 2025 (US\$'000)
Taiwan Agency Services from TSSA to the Group	2,385	4,000

REPORT OF THE DIRECTORS

6. Container lease from the Group to TEH Shipping

On October 22, 2024, the Company (for itself and on behalf of its subsidiaries) and TEH Shipping entered into a master agreement (the “**Master Container Lease Agreement**”) for the lease of containers from the Group to TEH Shipping (including sharing of a shipping management software system with TEH Shipping) for a term commencing from November 1, 2024 to December 31, 2026, 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.

TEH Shipping is a majority-controlled company (as defined in the Listing Rules) of Mr. Chen and his family members, namely Mrs. Chen, Mr. James Chen and Ms. Christy Chen. As such, TEH Shipping is an associate of the aforesaid Controlling Shareholders and thus connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Container Lease Agreement constitute continuing connected transactions of the Company.

The transactions under the Master Container Lease Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The following table is a summary of the transaction amount and the annual cap for the year ended December 31, 2025 for the transactions contemplated under the Master Container Lease Agreement:

	Transaction amount for the year ended December 31, 2025 (US\$'000)	Annual cap for the year ended December 31, 2025 (US\$'000)
Container lease from the Group to TEH Shipping	2,556	4,000

REPORT OF THE DIRECTORS

7. Sharafuddin Agency Services from Diamond Shipping, Sharaf Pakistan Agency, TS Pakistan, TS India, TS UAE, Sharaf Kenya Agency, Sharaf Tanzania Agency, Sharaf Oman Agency and Sharaf SA Agency to the Group

On October 22, 2024, the Company (for itself and on behalf of its subsidiaries) entered into a master agency service framework agreement (the “**Master Sharafuddin Agency Service Framework Agreement**”) with Diamond Shipping, Sharaf Pakistan Agency (also for TS Pakistan), TS India, TS UAE, Sharaf Kenya Agency, Sharaf Tanzania Agency, Sharaf Oman Agency and Sharaf SA Agency (collectively, the “**Sharafuddin Agencies**”) (each for themselves and on behalf of their subsidiaries), pursuant to which the Sharafuddin Agencies agreed to provide shipping agency services and other ancillary services to the Group in Sri Lanka, Pakistan, India, the United Arab Emirates, Kenya, Tanzania, Oman and Saudi Arabia (collectively, the “**Service Countries**”), including but not limited to liner agency, port and inland agency, marketing and sales, vessels management, container traffic management and administrative services (the “**Sharafuddin Agency Services**”). The Master Sharafuddin Agency Service Framework Agreement has a term commencing from November 1, 2024 to December 31, 2026, 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.

Each of Diamond Shipping and Sharaf Tanzania Agency is a 30%-controlled company (as defined in the Listing Rules) of Mr. Sharafuddin, one of the Controlling Shareholders. Each of Sharaf Kenya Agency and Sharaf SA Agency is a majority-controlled company (as defined in the Listing Rules) of Mr. Sharafuddin, one of the Controlling Shareholders. Sharaf Pakistan Agency is indirectly wholly-owned by Mr. Sharafuddin, one of the Controlling Shareholders. TS Pakistan, on the basis of being a direct non-wholly owned subsidiary of the Company owned as to 51% by the Company and indirectly owned as to 49% by Mr. Sharafuddin, one of the Controlling Shareholders, is a connected subsidiary and thus a connected person of the Company. TS India is indirectly owned as to 60% by Mr. Sharafuddin, one of the Controlling Shareholders. TS UAE is a joint venture of the Company and Sharaf Investment, LLC (a company ultimately controlled by Mr. Sharafuddin) and is directly owned as to 51% by the Company and indirectly owned as to 49% by Mr. Sharafuddin, one of the Controlling Shareholders. Sharaf Oman Agency is indirectly owned as to 70% by Mr. Sharafuddin, one of the Controlling Shareholders. Diamond Shipping, Sharaf Pakistan Agency, TS India, TS UAE, Sharaf Kenya Agency, Sharaf Tanzania Agency, Sharaf Oman Agency and Sharaf SA Agency and their respective subsidiaries are associates of Mr. Sharafuddin and thus connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Sharafuddin Agency Service Framework Agreement constitute continuing connected transactions for the Company.

The transactions under the Master Sharafuddin Agency Service Framework Agreement are subject to the reporting, annual review and announcement requirements but exempt from circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

The following table is a summary of the transaction amount and the annual cap for the year ended December 31, 2025 for the transactions contemplated under the Master Sharafuddin Agency Service Framework Agreement:

	Transaction amount for the year ended December 31, 2025 (US\$'000)	Annual cap for the year ended December 31, 2025 (US\$'000)
Sharafuddin Agency Service to the Group	6,585	7,600

The independent non-executive Directors have reviewed and confirmed that the continuing connected transactions disclosed above undertaken by the Group were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

KPMG, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 (Revised) *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. KPMG have issued their unmodified letter containing their findings and conclusions in respect of the continuing connected transactions by the Group in accordance with the Listing Rules and confirming the matters as stated in Rule 14A.56 of the Listing Rules.

The Company confirmed that during the year ended December 31, 2025, it has followed the pricing terms and policies when determining the price and terms for each of the continuing connected transactions set out in this section.

The related party transactions set out in note 22 to the consolidated financial statements also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, and such transactions are wholly-exempt from the requirements under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the connected transactions or continuing connected transactions.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended December 31, 2025 are set out in note 20 to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group and the Company during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity and note 20 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company had distributable reserves of approximately US\$1,444.0 million in total available for distribution.

DIVIDEND POLICY

The Company is committed to proposing an annual dividend of no less than US\$70.0 million at the relevant Shareholders' meetings for each of the years 2024 and 2025. The Board resolved to propose to the Shareholders at the AGM on 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, representing a dividend payout of approximately 50%. The Company has established a target annual dividend payout ranging from 30% to 50% of the consolidated net profit attributable to the equity shareholders of the Company. The Board has adopted a dividend policy. The declaration and distribution of dividends shall be determined at the sole discretion of the Board taking into account, among others, the financial results, cash flow situation, future operations and earnings, capital requirements and expenditure plans and any other factors that the Board may consider relevant. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. The declaration and distribution of dividends shall also be subject to the Articles of Association and all applicable laws and regulations. The Board will review the policy from time to time and make relevant amendments as necessary.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash and maintaining a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out on page 130 of this annual report.

DONATIONS

The Company made no charitable and other donations for the year ended December 31, 2025.

REPORT OF THE DIRECTORS

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2025 are set out in note 10 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, 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.

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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO, or which are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/Nature of interest	Total Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding (%)
Mr. Chen	Interest in a controlled corporation ⁽²⁾⁽³⁾	618,902,420 (L)	37.17
Mr. James Chen	Interest in a controlled corporation ⁽²⁾⁽³⁾	618,902,420 (L)	37.17
Mrs. Chen	Interest in a controlled corporation ⁽²⁾⁽³⁾	618,902,420 (L)	37.17
Mr. To Hung-Lin	Beneficial owner	500,000 (L)	0.030
	Interest of spouse	132,000 (L)	0.008

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Maritime Legacy Limited ("**Maritime Legacy**") is owned as to 28.57% by Search & Search Company Limited ("**Search & Search**"), 26.19% by TS Chen Holding Limited ("**TS Chen Holding**"), 22.62% by JC Righteous Holding Limited ("**JC Righteous**") and 22.62% by Avermay Holding Limited ("**Avermay**").
- (3) Mr. Chen, Mrs. Chen, Mr. James Chen and Ms. Christy Chen, by virtue of their family relationship, are parties acting in concert with each other in respect of the Company. By virtue of the SFO, each of Mr. Chen, Mrs. Chen, Mr. James Chen, Ms. Christy Chen, TS Chen Holding, Search & Search, JC Righteous, Avermay and Maritime Legacy is deemed to be interested in the Shares held by TS Investment Limited ("**TS Investment**"), Prevalence Holding Limited ("**Prevalence**"), Providence Holding Limited ("**Providence**") and AM Holding Limited ("**AM Holding**").

Save as disclosed above, as at December 31, 2025, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2025, the following are the persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of Shareholder	Capacity/Nature of interest	Total Number of Shares	Approximate Percentage of Shareholding (%)
Prevalence	Beneficial owner	176,829,400 (L)	10.62
TS Investment	Beneficial owner	162,073,020 (L)	9.73
Providence	Beneficial owner	140,000,000 (L)	8.41
AM Holding	Beneficial owner	140,000,000 (L)	8.41
Maritime Legacy	Interest in a controlled corporation	618,902,420 (L)	37.17
TS Chen Holding	Interest in a controlled corporation	618,902,420 (L)	37.17
Search & Search	Interest in a controlled corporation	618,902,420 (L)	37.17
JC Righteous	Interest in a controlled corporation	618,902,420 (L)	37.17
Ms. Chen Wei	Interest of spouse	618,902,420 (L)	37.17
Avermay	Interest in a controlled corporation	618,902,420 (L)	37.17
Ms. Christy Chen	Interest in a controlled corporation	618,902,420 (L)	37.17
Mr. Liu Ting-Jui	Interest of spouse	618,902,420 (L)	37.17
Vision Investments Limited, ("Vision Investments")	Beneficial owner	618,902,420 (L)	37.17
The Nova Foundation	Interest in a controlled corporation	618,902,420 (L)	37.17
Mr. Sharafuddin	Interest in a controlled corporation	618,902,420 (L)	37.17
Mrs. Zubaida M Taherwali	Interest of spouse	618,902,420 (L)	37.17
Kentship Holding Limited, ("Kentship")	Beneficial owner	97,720,000 (L)	5.87
Mr. Wu Shang-Ying ("Mr. Wu")	Beneficial owner	30,328,820 (L)	1.82
	Interest in a controlled corporation	97,720,000 (L)	5.87
Mrs. Wu Huang Yueh-Chiung	Interest of spouse	128,048,820 (L)	7.69

REPORT OF THE DIRECTORS

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Each of TS Investment, Prevalence, Providence and AM Holding is wholly-owned by Maritime Legacy. Maritime Legacy is owned as to 26.19% by TS Chen Holding (a company wholly-owned by Mr. Chen), 28.57% by Search & Search (a company wholly-owned by Mrs. Chen), 22.62% by JC Righteous (a company wholly-owned by Mr. James Chen) and 22.62% by Avermay (a company wholly-owned by Ms. Christy Chen). Mr. Chen, Mrs. Chen, Mr. James Chen and Ms. Christy Chen, by virtue of their family relationship, are parties acting in concert with each other in respect of the Company. By virtue of the SFO, each of Mr. Chen, Mrs. Chen, Mr. James Chen, Ms. Christy Chen, TS Chen Holding, Search & Search, JC Righteous, Avermay and Maritime Legacy is deemed to be interested in the Shares held by TS Investment, Prevalence, Providence and AM Holding. Ms. Chen Wei is the spouse of Mr. James Chen and Mr. Liu Ting-Jui is the spouse of Ms. Christy Chen. By virtue of the SFO, Ms. Chen and Mr. Liu Ting-Jui are deemed to be interested in the Shares in which Mr. James Chen and Ms. Christy Chen are interested, respectively.
- (3) Vision Investments is wholly-owned by The Nova Foundation, and pursuant to the rules of The Nova Foundation, Vision Investments is beneficially held by The Nova Foundation for its founder only, namely Mr. Sharafuddin, and shall not be beneficially held for any other beneficiary or person for a period expiring twelve months after the Listing Date. Mr. Sharafuddin thus deemed to be interested in the Shares held by Vision Investments by virtue of the SFO. Mrs. Zubaida M Taherwali is the spouse of Mr. Sharafuddin and is therefore deemed to be interested in the Shares in which Mr. Sharafuddin is interested.
- (4) Kentship is wholly-owned by Mr. Wu and by virtue of the SFO, Mr. Wu is deemed to be interested in the Shares held by Kentship. Mrs. Wu Huang Yueh-Chiung is the spouse of Mr. Wu and is therefore deemed to be interested in the Shares in which Mr. Wu is interested.

Save as disclosed above, as of December 31, 2025, the Directors were not aware of any persons who had an interest or short position in the Shares, underlying Shares and debentures of the Company which would need to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

As at December 31, 2025, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position in the Shares	Position within such company
Mr. Chen	TS Investment	Director
	Maritime Legacy	Director
	TS Chen Holding	Director
	Search & Search	Director
Mr. James Chen	JC Righteous	Director
	Providence	Director
Mrs. Chen	Prevalence	Director
	Search & Search	Director

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Save as disclosed in note 22 to the consolidated financial statements and the section headed "Continuing Connected Transactions" in this report, no Director or any entity connected with any Director had a material interest, either directly or indirectly, in any transactions, arrangement or contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year ended December 31, 2025.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, there were no transactions, arrangements and contract of significance to the business of the Group between the Company, or any of its subsidiaries, and a Controlling Shareholder or any of its subsidiaries during the year ended December 31, 2025. During the year ended December 31, 2025, no transactions, arrangements and contract of significance for the provision of services to the Group by a Controlling Shareholder or any of its subsidiaries was made.

DIRECTORS' REMUNERATION

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group. Details of the Directors' remuneration during the year ended December 31, 2025 are set out in note 7 to the consolidated financial statements.

RETIREMENT SCHEMES

Details of the retirement benefits plans of the Group are set out in note 1(q)(i) to the consolidated financial statements.

SHARE SCHEMES

As at the year ended December 31, 2025, the Company and its subsidiaries had no share schemes.

MATERIAL CONTRACTS

Save as disclosed in note 22 to the consolidated financial statements and under the section headed "Continuing Connected Transactions" in this annual report, at no time during the year ended December 31, 2025 had the Company or any of its subsidiaries entered into any material contracts or contract of significance with the Controlling Shareholders or any of their respective subsidiaries, nor had any material contracts been entered into for the services provided by the Controlling Shareholders or any of their respective subsidiaries to the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2025.

REPORT OF THE DIRECTORS

DEBENTURES IN ISSUE

The Company did not have any debentures in issue during the year ended December 31, 2025.

EQUITY-LINKED AGREEMENTS

The Company did not enter into any equity-linked agreements for the year ended December 31, 2025.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of his/her duties in his/her office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2025, the aggregate amount of purchases attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases; and the aggregate amount of revenue attributable to the Group's five largest customers represented less than 30% of the Group's total revenue.

None of the Directors or any of their associates or any Shareholders (which to the best knowledge of the Directors owned more than 5% of the Company's issued share capital) had a material interest in the Group's five largest customers and suppliers.

TAX RELIEF AND EXEMPTION

For the year ended December 31, 2025, the Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Shares.

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 year ended December 31, 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 25 to the consolidated financial statements, no significant events have taken place subsequent to December 31, 2025 and up to the date of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Environmental, social and governance ("**ESG**") considerations are increasingly important in the shipping industry. The Group believes that the integration of ESG matters into the corporate strategies and operations of the Group is vital to the continuous growth of the businesses. Recognizing the importance of the proper management on ESG-related issues that may have significant impact on the business, the Board is ultimately responsible for overseeing the ESG matters. The Board also holds principal responsibilities for the formulation, implementation and review of the ESG vision and direction, policies and targets, the identification, evaluation and management of material ESG-related risks, as well as the monitoring of the ESG performance.

The Group has identified a number of ESG-related (including climate) risks that may have a significant impact on the assets and operations. With reference to the recommendations outlined by the Task Force on Climate-related Financial Disclosures (TCFD), climate-related risks, including physical and transition risks, that may have a significant impact on the assets and operations are identified. The Group has a variety of internal policies and guidelines in place to mitigate the risks and has appointed teams for relevant material ESG issues to implement relevant ESG policies, measures and initiatives.

REPORT OF THE DIRECTORS

COMPLIANCE WITH LAWS AND REGULATIONS

The Company promotes the culture of adhering to the highest ethical standards of business conduct and commits to complying with all prevailing laws and regulations in all its operating regions. During the year ended December 31, 2025, to the best knowledge of the Directors, there was no material breach or non-compliance with the relevant laws and regulations by the Group that have a significant impact on the Group.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that employees, customers, suppliers and Shareholders are key to the Group's success.

Employees

The Group believes that its employees are valuable assets that contribute to the success of the Group. The Group is committed to providing a fair, diversified 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 employees are dependent on their competence at work. The Group respects the rights and interests of every employee and strives to ensure a discrimination 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.

Customers

The customers for the Group's container shipping services primarily include (i) freight forwarders, (ii) BCO customers, and (iii) other container shipping companies. The Group's BCO customers are primarily small and medium-sized businesses, including diversified manufacturers of consumer, primary and mechanical products. While the majority of customers enter into shipping contracts with the Group through freight forwarders, the Group has established long-term relationships with some of its BCO customers. Besides, the Group services large blue-chip customers with tailored needs from time to time. The Group has undertaken large projects with specifically tailored needs for these customers with whom the Group has enjoyed long-term business relationships. The Group's targeted customers generally consist of those with sound reputations in the international shipping market and good credit records.

REPORT OF THE DIRECTORS

The Group may be exposed to credit risks resulting from delays and/or defaults in payments by its customers, which would adversely affect the Group's business, financial condition and results of operations. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group has established an extensive in-house sales network covering the Company's strategically important markets in the Asia-Pacific Region, primarily consisting of the Company's local sales teams. As at December 31, 2025, the Group had a total of 26 offices worldwide, including 11 offices in Chinese Mainland and Hong Kong, 1 in Taiwan, 2 in Japan, 2 in South Korea, 3 in Vietnam, 3 in Malaysia, 1 in the United Arab Emirates, 1 in Singapore, 1 in Pakistan and 1 in the Philippines. The Group believes a strong local presence can bring it closer to market developments, directly covering a wider base of small and medium-size customers and build better customer relationships.

Suppliers

Along the supply chain, the Group has established long-term relationships with its major suppliers included terminal container handling service providers, vessel inbound and outbound service providers, port shipping agency service providers, container providers, bunker providers, vessel chartering companies and vessel manufacturers.

Disruptions caused by third-party contractors, partners and agents could materially and adversely affect the Group's operations and reputation. Additionally, a work stoppage at any one of the Group's suppliers, including its land transportation suppliers, could materially and adversely affect the Company's operations if an alternative source of supply was not readily available. There can be no assurance that the products delivered and services rendered by the third-party contractors and suppliers will be satisfactory and match the required quality levels. Furthermore, major contractors or suppliers may experience financial or other difficulties, such as natural disasters, terror attacks, failure of information technology systems or labor stoppages, which could affect their ability to perform their contractual obligations to the Company, either on time or at all. Any delay or failure of the contractors or suppliers to perform their contractual obligations to the Group could have a material adverse effect on the Group's business, financial condition, results of operations and liquidity. The Group considers it is important to maintain good business relationships with the suppliers and where possible, to diversify the supplier base so as to avoid any disruptions in the supply of vessels, containers and bunkers.

Shareholders

One of the Group's key corporate objectives is to maximize shareholder value. The Company is dedicated to promoting business development to ensure sustainable earnings growth and to provide stable dividend payouts to Shareholders, while also considering capital adequacy, liquidity, and the need for business expansion.

REPORT OF THE DIRECTORS

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors have been independent throughout the year ended December 31, 2025 and remain so as at the date of this annual report.

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 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 annual report.

AUDITORS

KPMG, which has audited the consolidated financial statements of the Company for the year ended December 31, 2025, will retire as the auditor of the Company at the AGM, and being eligible, offer itself for re-appointment. A resolution will be proposed at the AGM to re-appoint KPMG as the auditor of the Company. The Company did not change its auditors during the preceding three years.

PROPOSED DISTRIBUTION OF FINAL DIVIDEND

The Board resolved to propose to the Shareholders at 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 Hong Kong branch 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.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

None of the Directors and their respective associates (as defined in the Listing Rules) has any competing interests directly or indirectly with the business of the Group which require to be disclosed as defined in the Listing Rules during the year ended December 31, 2025.

REPORT OF THE DIRECTORS

NON-COMPETITION CONFIRMATION

Each member of the Chen Family Group and TEH Shipping (for itself and on behalf of its subsidiaries) has entered into the Deed of Non-Competition in favor of the Company, pursuant to which (i) each member of the Chen Family Group has undertaken to the Company that he/she will not, and will use his/her best endeavors to procure that his/her close associates (other than through their interests in the Group), will not carry on, engage, invest, participate or otherwise be interested in any business which competes with the container shipping businesses carried on by any member of the Group for the principal trade lanes the Group operates (the **“Restricted Business”**); and (ii) for so long as TEH Shipping remains a close associate of the Chen Family Group, TEH Shipping will not carry on, engage, invest, participate or otherwise be interested in any Restricted Business. For the avoidance of doubt, the Restricted Business does not include the business involving the provision of container shipping services in the Cross-strait Trade Lanes (including the trade lanes between Taiwan and Hong Kong which are part and parcel of the Cross-strait Trade Lanes).

The Company has received a confirmation from each member of the Chen Family Group and TEH Shipping in respect of their compliance with the terms of the Deed of Non-Competition for the year ended December 31, 2025. The independent non-executive Directors have reviewed the status of compliance by each member of the Chen Family Group and TEH Shipping with the undertakings and as far as the independent non-executive Directors can ascertain, there is no breach of any of the undertakings in the Deed of Non-Competition for the year ended December 31, 2025.

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. The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the Annual General Meeting is May 21, 2026.

REPORT OF THE DIRECTORS

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.

On behalf of the Board

Mr. Chen Teh-Sheng

Chairman, executive Director and chief executive officer

Hong Kong, March 20, 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report for the year ended December 31, 2025.

CORPORATE CULTURE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company's goal is to establish ourselves as a reliable service provider by emphasizing the Company's vision and fostering a corporate culture centered around service, excellence, shared goals, flexibility, motivation, and advancement. These principles serve not only as guiding lights for the operations but also as the foundation upon which the Group builds lasting relationships with its stakeholders. The Board is dedicated to upholding the highest standards of corporate governance. This commitment is reflected in the adoption of sound governance practices, which aim to promote a culture that values transparency and accountability. The dedication to these values and principles not only enhances the Company's corporate governance but also strengthens the Company's reputation as a trustworthy and responsible organization.

COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Company has adopted 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 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.

CORPORATE GOVERNANCE REPORT

THE BOARD

Board Composition

The Directors of the Company during the year ended December 31, 2025 and up to the date of this annual report are:

Executive Directors

Mr. Chen Teh-Sheng (*Chairman and chief executive officer*)

Mr. Chen Shao-Hsiang (*Vice Chairman*)

Mrs. Chen Chuang Chuang-Li

Mr. To Hung-Lin

Mr. Chow Hong Man

Independent Non-executive Directors

Mr. Wu Youn-Ger

Mr. Chang Shan-Hui

Mr. Yang Li-Yen

Biographies of the Directors and senior management of the Group are set out in the section headed “Directors and Senior Management” in this annual report.

There is no financial, business, family or other material relationships among the Controlling Shareholders, members of the Board and senior management of the Company except for family relationships between Mr. Chen Teh-Sheng (Chairman, executive Director and chief executive officer), Mr. Chen Shao-Hsiang (Vice Chairman and executive Director) and Mrs. Chen Chuang Chuang-Li (executive Director).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Throughout the year ended December 31, 2025, the Board has met the requirements of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board members, and that at least one of the independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received annual confirmation of independence from the three independent non-executive Directors regarding the independent criteria under Rule 3.13 of the Listing Rules. The Board is of the view that all independent non-executive Directors are independent within the definition of the Listing Rules throughout the year ended December 31, 2025 and up to the date of this annual report.

CORPORATE GOVERNANCE REPORT

ROLES AND RESPONSIBILITIES OF THE BOARD

The primary responsibility of the Board is to ensure the Company is managed effectively in the best interests of the Shareholders. Under the leadership of the Chairman, the Board provides guidance and maintains oversight of the management team. The key duties of the Board include: (i) developing long-term strategies for the Group and overseeing their execution; (ii) reviewing and approving the Group's business plans and financial budgets; (iii) approving annual and interim financial results; (iv) assessing and supervising risk management and internal controls; (v) upholding high standards of corporate governance and compliance; and (vi) monitoring management performance.

All Directors must fulfill their duties in good faith, comply with applicable laws and regulations, and prioritize the interests of the Company and its Shareholders at all times. The Board regularly assesses the contributions expected of each Director to ensure they are dedicating adequate time to fulfill their responsibilities. Daily operations and administration of the Company are delegated by the Board to the senior management of the Company.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Company adheres to a formal, thoughtful, and transparent process for appointing new Directors. The Nomination Committee has established a nomination policy and is responsible for identifying and recommending suitable candidates for the Board's consideration, whether for additional director roles or to fill casual vacancies. The Committee also makes recommendations to Shareholders regarding any proposed appointments or re-elections of Directors at annual general meetings.

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from their respective date of appointment or re-designation as an executive Director, which may be terminated by not less than three months' notice in writing served by either party on the other. Each independent non-executive Director has entered into a letter of appointment with the Company for a term of three years commencing from the date of appointment, which may be terminated by not less than three months' notice in writing served by either party on the other.

The appointments of Directors are subject to the provisions of retirement and rotation under the Articles of Association and the Listing Rules. In accordance with Article 121 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall be then eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at each annual general meeting. In accordance with Article 122 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

CORPORATE GOVERNANCE REPORT

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they keep abreast of the current requirements of the Listing Rules and other applicable laws and regulations. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a Director.

Every newly appointed Director of the Company will receive a comprehensive, formal and tailored induction on appointment. Subsequently, he/she will receive any briefing and professional development necessary to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements and the Company's business and governance policies.

During the year ended December 31, 2025, the Company has arranged, and each of the Directors has attended training seminar provided by the Company's ESG advisory team on the latest updates on ESG reporting requirements and by the compliance advisory team on the latest updates to the Listing Rules. Additionally, relevant reading materials, including the applicable Listing Rules and other relevant laws and regulations, were provided to the Directors for their reference and study.

During the year ended December 31, 2025, all Directors had participated in continuous professional development in the following manner in compliance with code provision C.1.4 of the Corporate Governance Code:

Name of Directors	Type of trainings
Mr. Chen Teh-Sheng (<i>Chairman and chief executive officer</i>)	A&B
Mr. Chen Shao-Hsiang (<i>Vice Chairman</i>)	A&B
Mrs. Chen Chuang Chuang-Li	A&B
Mr. To Hung-Lin	A&B
Mr. Chow Hong Man	A&B
Mr. Wu Youn-Ger	A&B
Mr. Chang Shan-Hui	A&B
Mr. Yang Li-Yen	A&B

Note:

A: Attending seminars/conferences/workshops/forums.

B: Reading journals/updates/articles/materials.

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORD OF THE DIRECTORS AND BOARD COMMITTEE MEMBERS

The attendance records of each Director at the Board meetings and Board committees' meetings and annual general meeting of the Company held during the year ended December 31, 2025 are set out below:

	Number of Meetings attended/held				Annual general meeting
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Executive Directors					
Mr. Chen Teh-Sheng	6/6			1/1	1/1
Mr. Chen Shao-Hsiang	6/6				1/1
Mrs. Chen Chuang Chuang-Li (<i>Note</i>)	6/6			–	1/1
Mr. To Hung-Lin	6/6				1/1
Mr. Chow Hong Man	6/6				1/1
Independent non-executive Directors					
Mr. Wu Youn-Ger	6/6	3/3	1/1	1/1	1/1
Mr. Chang Shan-Hui	6/6	3/3	1/1	1/1	1/1
Mr. Yang Li-Yen	6/6	3/3	1/1	1/1	1/1

Note: As Mrs. Chen Chuang Chuang-Li was appointed as a member of the Nomination Committee with effect from August 25, 2025, none of the Nomination Committee meetings held during the year ended December 31, 2025 were held during her tenure as a member of the Nomination Committee.

BOARD MEETINGS

Pursuant to code provision C.5.1 of the CG Code, at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of Directors, either in person or through electronic means of communication. During the Reporting Period, six Board meetings were held.

All relevant materials were sent to all the Directors relating to the matters brought before the meetings. All the Directors have been provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

DIRECTORS' AND OFFICERS' LIABILITY

Appropriate Directors' and officers' liability insurance has been arranged for the Directors and officers of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs. The three Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the websites of Company and the Stock Exchange.

The majority of the members of the Audit Committee, the Remuneration Committee and the Nomination Committee are independent non-executive Directors and the list of the chairperson and members of each Board committee is set out under "Corporate Information" on page 2.

Audit Committee

The primary duties of the Audit Committee include (but without limitation): (i) reviewing and supervising the financial reporting process, internal control and risk management systems and audit procedures of the Group; (ii) assisting the Board by providing advice and an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group; (iii) developing and reviewing the policies of the Group; and (iv) performing other duties and responsibilities as assigned by the Board. In particular, the Audit Committee is empowered under its terms of reference to review any arrangement which may raise concerns about possible improprieties in financial reporting, internal control or other matters. During the year ended December 31, 2025, the Audit Committee had convened a total of three meetings, with all members thereof present to review, among others, the financial results and reports, financial reporting and compliance procedures, internal control and risk management systems, appointment, remuneration and scope of work of external auditors.

According to Code Provision D.3.3(e)(i) of Part 2 of the CG Code and the terms of reference of the Audit Committee, the Audit Committee must meet, at least twice a year, with the Company's auditors. The Audit Committee has met twice with the external auditors during the year ended December 31, 2025.

The Audit Committee has reviewed with the management the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements and annual results of the Group for the year ended December 31, 2025) of the Group. The Audit Committee considered that the audited consolidated financial statements of the Group are in compliance with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. Accordingly, the Audit Committee recommended the Board to approve the audited consolidated financial statements and annual results of the Group for the year ended December 31, 2025.

CORPORATE GOVERNANCE REPORT

Corporate Governance Functions

The Audit Committee is responsible for determining the policy for the corporate governance of the Company and it performed the corporate governance duties as follows in 2025:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

Remuneration Committee

The primary duties of the Remuneration Committee include (but without limitation): (i) establishing, reviewing and providing advice to the Board on the policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) making recommendations to the Board on the specific remuneration package of each Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time; and (iv) ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

According to the Company's remuneration policy, the emolument payable to Directors will depend on their respective contractual terms under employment contracts, if any, and as recommended by the Remuneration Committee.

Details of the amount of Directors' and chief executive officer's remuneration are set out in note 7 to Financial Statements.

CORPORATE GOVERNANCE REPORT

For the year ended December 31, 2025, the aggregate emoluments payable to members of senior management (excluding Directors) fell within the following band:

Remuneration bands (US\$)	Number of Individual(s)
100,000 to 200,000	1
300,000 to 400,000	1

During the year ended December 31, 2025, the Remuneration Committee had convened one meeting for reviewing and making recommendations to the Board on the remuneration packages of the Directors and assessing performance of executive Directors.

Nomination Committee

The primary duties of the Nomination Committee include (but without limitation): (i) reviewing the structure, size and diversity (including but not limited to gender, skills, knowledge, experience and diversity of perspectives) of the Board regularly and at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; (iii) assessing the independence of the independent non-executive Directors; (iv) making recommendations to the Board on the appointment, re-appointment or removal of Directors and succession planning for Directors (in particular the Chairman and the chief executive); (v) reviewing the board diversity policy of the Company (the "**Board Diversity Policy**") and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; (vi) to review and assess each director's time commitment and contribution to the Board as well as director's ability to discharge his or her responsibility effectively; and (vii) to support the regular evaluation of the performance of the Board

During the year ended December 31, 2025, the Nomination Committee had convened one meeting which was attended by all of its members for the nomination of Mr. James Chen as Vice Chairman and the Directors for re-election at the 2025 annual general meeting (the "**2025 AGM**") and had resolved Mr. James Chen's appointment as Vice Chairman and which Directors shall retire, and, being eligible, shall offer themselves for re-election at the 2025 AGM.

Mrs. Chen Chuang Chuang-Li was appointed as a member of the Nomination Committee with effect from August 25, 2025. Following her appointment, the Nomination Committee comprises five members, namely Mr. Chen Teh-Sheng (chairperson), Mrs. Chen Chuang Chuang-Li, Mr. Chang Shan-Hui, Mr. Wu Youn-Ger and Mr. Yang Li-Yen.

Nomination Policy

The Company has adopted a nomination policy for Directors (the "**Nomination Policy**") in accordance with the Corporate Governance Code. The Nomination Policy sets out the selection criteria and procedure in relation to nomination, appointment and re-election of Directors. The Nomination Policy aims to ensure that the Board has a balance of skill set, experience, expertise and diversity of perspectives enhances decision-making capability and the overall effectiveness of the Board.

CORPORATE GOVERNANCE REPORT

The Nomination Committee shall identify, assess, select and nominate suitable director candidates to the Board for it to consider for appointment. The Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the importance and benefit to achieve diversity on the Board to corporate governance and the Board's effectiveness. The purpose of this policy is to set out the basic principles to be followed to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

CORPORATE GOVERNANCE REPORT

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience. To ensure long-term gender diversity on the Board, the Group will seek to identify and select female candidates who possess a diverse range of skills, experience, and knowledge relevant to the Group's business. These candidates will be maintained on a list of potential female successors to the Board, thereby developing a pipeline of qualified female individuals to achieve further gender diversity on the Board.

According to Rule 13.92 of the Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. As at the date of this annual report, the Board comprises seven male Directors and one female Director. At present, the Nomination Committee considers that the Board is sufficiently diverse.

For the purpose of implementation of the Board Diversity Policy, the Board will consider setting measurable objectives and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. As at the date of this annual report, the following measurable objectives were adopted:

- (a) at least one of the members of the Board shall be female;
- (b) at least one-third of the members of the Board shall be independent non-executive Directors; and
- (c) at least one of the members of the Board shall have obtained accounting or other professional qualifications.

The Board is committed to improving the diversity of the Board and has achieved the above objectives as at the date of this annual report.

The Company acknowledges the significance of diversity and strives to promote diversity not only at the Board level but also throughout the entire workforce. The workforce of the Group (including its senior management) comprised approximately 36.9% male employees and 63.1% female employees as at December 31, 2025. Currently, the Company is not aware of any material factors which make gender diversity across its workforce more challenging or less relevant. For more information about the gender diversity at workforce levels (including senior management), please refer to the Environmental, Social and Governance Report.

CORPORATE GOVERNANCE REPORT

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 and the relevant employees. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code throughout the year ended December 31, 2025.

CORPORATE GOVERNANCE MEASURES TO AVOID POTENTIAL CONFLICTS OF INTEREST

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. Accordingly, the independent non-executive Directors have conducted an annual review on whether there are any conflicts of interests between the Group and the Controlling Shareholders and their respective close associates for the year ended December 31, 2025, and confirmed that they are not aware of any conflicts of interests between the Group and the Controlling Shareholders and their respective close associates for the year ended December 31, 2025.

COMPANY SECRETARY

During the year ended December 31, 2025, Mr. Chan Chung Kik, Lewis (“**Mr. Chan**”) was the company secretary of the Company. Mr. Chan is a full-time staff of the Group and is responsible for ensuring and advising the Board on compliance of all policies and procedures in connection with the applicable rules and regulations. The biographical details of Mr. Chan are set out under the section headed “Directors and Senior Management”.

For the year ended December 31, 2025, Mr. Chan received not less than 15 hours of relevant professional training to update his knowledge and skills.

ACCOUNTABILITY AND AUDIT

Directors’ and Auditors’ acknowledgment

The Board acknowledges its responsibilities for the preparation of the financial statements for each financial year, which should give a true and fair view of the state of affairs of the Company and the Group and of the results and cash flows for that year in compliance with relevant laws and disclosure provisions of the Listing Rules.

In preparing the financial statements for the year ended December 31, 2025, the Directors have adopted appropriate and consistent accounting policies and made prudent and reasonable judgments and estimations. The financial statements for the year ended December 31, 2025 have been prepared on a going-concern basis. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group’s ability to continue as a going concern.

The responsibility of the external auditors is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. A statement by the auditor about their reporting responsibility is set out in the Independent Auditor’s Report.

CORPORATE GOVERNANCE REPORT

Auditors' Remuneration

For the year ended December 31, 2025, the fees paid/payable to KPMG for services and other non-audit services are set out below:

Type of services	Amount (US\$'000)
Audit services	455
Other non-audit services (<i>Note</i>)	119
Total	574

Note: Such non-audit services include tax advisory services and non-assurance services.

Risk Management and Internal Control

The Board is responsible for the risk management and internal control system of the Group and for reviewing its effectiveness on an annual basis. The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition and to manage operational risks. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. Internal control and risk management systems are reviewed annually to ensure its continuous effectiveness. The Group has in place a risk management framework which has the following five components: risk identification, risk assessment, risk treatment, risk reporting and risk monitoring. The Group also has an internal audit function which primarily carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis.

To maintain a high standard of corporate governance of the Group, the Company engaged an external internal control consultant to conduct review on the effectiveness of the Group's internal control system and report the findings to the Audit Committee and the Board. A review of the effectiveness of the Group's system of internal control covering all key controls, including financial, operational and compliance and risk management controls, is conducted by rotation and performed annually. The examination consisted of enquiry, discussion and validation through observation and inspection. The result of the review has been reported to the Audit Committee and the Board, and areas of improvement, if any, have been identified and appropriate measures have been put in place to manage the risks. Based on the reports from the Group's external internal control consultant, the Audit Committee and the Board consider that the Group's risk management and internal control system is adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the CG Code for the year ended December 31, 2025.

To ensure that a sound system is maintained and operated by the management in compliance with the agreed procedures and standards, for the year ended December 31, 2025, the Board has reviewed the effectiveness of the risk management and internal control measures of the Group, including the internal audit function of the Group. Through its review, the Board concluded that no material risk management and internal control aspects of any significant discrepancies were discovered during the review and was satisfied that the Group's risk management and internal control systems were effective and adequate.

CORPORATE GOVERNANCE REPORT

Whistleblowing Policy

The Company is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, the Company expects and encourages its employees, customers, suppliers and other stakeholders who have concerns about any suspected misconduct or malpractice within the Company to come forward and voice those concerns. The Group has established a whistleblowing policy which aims to enable the Company's employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in matters related to the Company, in order to help detect and deter misconduct or malpractice or unethical acts in the Company.

Dissemination of Inside Information

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorised use of inside information and has communicated to all staff; the Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and conducts the affairs with reference to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012. In addition, only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

Anti-Corruption Policy

The Company takes a zero-tolerance approach towards bribery and corruption and is committed to upholding high standards of business integrity, honesty and transparency in all its business dealings. The Company strictly prohibits any form of fraud or bribery, and is committed to the prevention, deterrence, detection and investigation of all forms of fraud and bribery.

The Company has established an anti-corruption policy which sets out the basic standard of conduct which applies to all Directors, officers and employees of the Company and its wholly owned subsidiaries. It also provides guidance to all employees on acceptance of advantage and handling of conflict of interest when dealing with the Company's business. The Company also encourages and expects its business partners including suppliers, contractors and clients to abide by the principles of the policy.

During the year ended December 31, 2025, the Group did not find any material violations of laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering, nor did it have any corruption cases concluded.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to providing Shareholders with balanced and understandable information about the Company. The Company uses various communication methods to ensure its Shareholders are kept well informed of key business imperatives. These include general meetings, annual reports, interim reports, various notices, announcements and circulars.

CORPORATE GOVERNANCE REPORT

To ensure all Shareholders' timely access to important corporate information, the Company utilizes its corporate website to disseminate to the Shareholders information such as announcements, circulars and annual and interim reports. Any information or documents of the Company posted on the Stock Exchange's website (www.hkexnews.hk) are also published on the Company's website (<https://www.tslines.com/>). Other corporate information about the Company's business developments, goals and strategies, corporate governance and risk management are also available on the Company's website.

The annual general meeting and other general meetings of the Company provide a useful forum for Shareholders to exchange views with the Board. The Company provides Shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. The Chairman and other Directors, the chairpersons of Board committees or their delegates, and the representative of external auditors are available to answer Shareholders' questions at the annual general meeting. The chairperson of the independent Board committee or his delegate will be also available to answer questions at any general meeting if a connected transaction or any other transaction requires independent Shareholders' approval.

Shareholders may make direct enquiries about their shareholdings to the Company's share registrar. To the extent the requisite information of the Company is publicly available, Shareholders and other stakeholders (including potential investors) may put forward their enquiries about the Company to the Board or the company secretary at the Company's head office in Hong Kong or by email. The contact details are available on the Company's website.

The Company had adopted a Shareholders' communication policy (the "**Shareholders' Communication Policy**") which had been published on the website of the Company. The Company maintains an ongoing dialogue with Shareholders and other investors through various communication channels set out in the Shareholders' Communication Policy and in particular, through annual general meetings or other general meetings to communicate with them, encourages their participation and takes any areas of concern into consideration when formulating its business strategies. The Board reviews the Shareholders' Communication Policy to ensure its effectiveness on an annual basis. The Board had reviewed the implementation and effectiveness of the Shareholders' Communication Policy and considered such policy to be effective and adequate for the year ended December 31, 2025.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to put forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company by email to ir@tslines.com.hk or by letter to 9/F, C-Bons International Center, 108 Wai Yip Street, Kowloon, Hong Kong. The Company will not normally deal with verbal or anonymous enquiries.

CORPORATE GOVERNANCE REPORT

Procedures for Shareholders to convene a general meeting and putting forward proposals at Shareholders' meetings

Pursuant Article 65 of the Articles of Association, the Directors may whenever they think fit, and shall on requisition in accordance with the Companies Ordinance, convene a general meeting. Under Sections 566 to 568 of the Companies Ordinance, Shareholders representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings are entitled to send a request to the Company to convene a general meeting. Such requisition must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may be sent to the Company in hard copy form or electronic form and must be authenticated by the Shareholder(s) making it. Directors must call a general meeting within 21 days after the date on which they become subject to the requirement and the meeting so called must be held on a date not more than 28 days after the date of the notice convening the meeting. If the Directors do not do so, the requisitioner(s) himself/herself (themselves) or any of them representing more than one half of the total voting rights of all Shareholders may do so in the same manner, but the meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call a meeting. All reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Directors duly to call the meeting shall be reimbursed by the Company. Pursuant to Section 615 of the Companies Ordinance, Shareholders can request the Company to give notice of a resolution and move such resolution at an annual general meeting, provided that such a request is made by (i) Shareholders representing at least 2.5% of the total voting rights of all the Shareholders; or (ii) at least 50 Shareholders (as the case may be) who have a right to vote on the resolution at the annual general meeting to which the request relates. Such a request must identify the resolution of which notice is to be given, be either in hard copy form or in electronic form and authenticated by the person or persons making it, and be received by the Company not later than six weeks before the annual general meeting to which the request relates or, if received by the Company later than the time as stated above, the time at which notice is given of that meeting.

INVESTOR RELATIONS

Investors Communication

The Board highly recognizes the importance of maintaining effective communication with its existing Shareholders, potential investors and analysts to enable capital market to keep abreast of the Company's development strategies. The Company has set up an investor relations department, which is responsible for the formulation and implementation of investor relations strategies and engagement programs.

The Company is committed to the timely provision of public information related to the Company's latest business development to investors and analysts and addressing inquiries on the Company's existing business and the direction of future development strategies with an aim of facilitating the capital market's understanding of the Company's business to support the appropriate valuation of share.

The Company also proactively obtains feedback from capital market participants and considers feedback from all stakeholders when formulating its long-term strategy.

CORPORATE GOVERNANCE REPORT

Investor Relations Activities

The Board fully supports investor relations' work and the management team is actively involved in various investor relations activities, offering opportunities for institutional investors and analysts to interact with the management team through these activities. During the year ended December 31, 2025, approximately 130 physical and virtual meetings were held with institutional investors and analysts in Chinese Mainland, Hong Kong and overseas. During the year ended December 31, 2025, four securities research institutions published initial coverage reports on the Company.

Investor relations activities held in 2025:

- Analyst briefings;
- Non-deal roadshows;
- Group/one-to-one meetings; and
- Investor conferences.

Shares information

The Company has been listed on the Main Board of the Stock Exchange since November 2024 and is a constituent of Hang Seng Composite Index and included in Stock Connect in 2025.

As of December 31, 2025:

Number of Shares issued:	1,665,031,000 Shares
Market capitalization:	HK\$13,786 million
Board lot size:	1,000 Shares
Closing price of the Shares:	HK\$8.28

CONSTITUTIONAL DOCUMENTS

The Articles of Association was approved by a special resolution passed at the 2025 AGM on May 29, 2025 and adopted in order to (i) bring the Articles of Association up to date and in line with the revised requirements under the Listing Rules and applicable laws of Hong Kong in relation to treasury shares, the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers; and (ii) incorporate certain housekeeping amendments. Details of these amendments are set out in Appendix III to the 2025 AGM circular of the Company dated April 17, 2025 in relation to, among other things, the adoption of the Articles of Association. The latest version of the Articles of Association is available on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.tslines.com/>).

INDEPENDENT AUDITOR'S REPORT



To the members of T.S. Lines Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of T.S. Lines Limited (“**the Company**”) and its subsidiaries (“**the Group**”) set out on pages 64 to 129, which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (“**the Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER (CONTINUED)

Recognition of freight revenue

Refer to accounting policy note 1(t) and note 3 to the consolidated financial statements

The Key Audit Matter

During the year ended December 31, 2025, the Group recorded revenue amounting to US\$1,284,763,000, arising from provisions of container shipping and related services.

The Group recognizes revenue over time on a percentage of completion basis, which is determined on the time apportionment of each individual vessel voyage. In particular, the revenue recognition of incomplete voyages as at year end is determined with reference to the voyage details including days of vessel voyage completed to date (as at year end) and the total number of days required for the completion of the entire voyage.

We identified recognition of freight revenue as a key audit matter because of its significance to the Group and revenue is a key performance indicator of the Group, and therefore there is a risk that revenue could be manipulated to meet specific targets or expectation.

How the matter was addressed in our audit

Our audit procedures to assess the recognition of freight revenue included the following:

- understanding and assessing the design and implementation of the management's key internal controls over recognition of freight revenue;
- evaluating, on a sample basis, freight revenue recognized during the year by inspecting underlying documentations, including invoices issued to the customers, bills of lading and cash receipts, to determine whether the related revenue had been properly recognized; and
- evaluating, on a sample basis, freight revenue recognized near the financial year end by inspecting underlying documentations, including invoices issued to the customers and bills of lading, and departure and arrival records; and recalculating freight revenue of incomplete voyages at year end with reference to days of vessel voyage completed to date (as at year end) and the total number of days required for the completion of the entire voyage, to determine whether the related revenue had been recognized in the appropriate financial period.

INDEPENDENT AUDITOR'S REPORT

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting standards as issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sylvene Fong (practising certificate number: P05027).

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

March 20, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Revenue	3(a)	1,284,763	1,340,398
Cost of sales		(1,031,069)	(1,025,372)
Gross profit		253,694	315,026
Other revenue	4	114,507	92,735
Other net income	4	6,009	376
Administrative and other operating expenses		(43,250)	(41,507)
Profit from operations		330,960	366,630
Finance costs	5(a)	(3,067)	(2,732)
Share of profits less losses of associates	13(a)	365	1,438
Share of profit of a joint venture	13(b)	1,191	580
Profit before taxation	5	329,449	365,916
Income tax (expenses)/credit	6(a)	(562)	286
Profit for the year		328,887	366,202
Attributable to:			
Equity shareholders of the Company		328,901	365,913
Non-controlling interests		(14)	289
Profit for the year		328,887	366,202
Earnings per share	9		
Basic and diluted (US\$)		0.198	0.254

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended December 31, 2025

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

The notes on pages 71 to 129 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 20(c).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Non-current assets			
Property, plant and equipment	10	1,569,019	1,597,620
Intangible assets	11	626	731
Prepayments for the acquisitions of vessels	14	230,789	134,632
Interests in associates	13(a)	1,770	2,856
Interest in a joint venture	13(b)	1,616	1,490
Deferred tax assets	19(b)	123	152
		1,803,943	1,737,481
Current assets			
Bunkers		19,854	26,950
Contract assets	14	11,611	16,313
Trade and other receivables	14	113,939	118,789
Cash and cash equivalents	15(a)	485,686	422,134
		631,090	584,186
Non-current assets classified as held for sale	16	24,058	–
		655,148	584,186
Current liabilities			
Contract liabilities	17	2,555	4,113
Trade and other payables	17	180,688	181,494
Lease liabilities	18	46,396	41,251
Tax payable	19(a)	5,344	4,244
		234,983	231,102
Net current assets		420,165	353,084
Total assets less current liabilities		2,224,108	2,090,565

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Non-current liability			
Lease liabilities	18	103,276	115,383
NET ASSETS		2,120,832	1,975,182
Capital and reserves	20		
Share capital		277,213	277,213
Reserves		1,843,454	1,697,495
Total equity attributable to equity shareholders of the Company		2,120,667	1,974,708
Non-controlling interests		165	474
TOTAL EQUITY		2,120,832	1,975,182

Approved and authorized for issue by the Board of Directors on March 20, 2026

Mr. Chen Teh-Sheng
Chairman

Mr. Chen Shao-Hsiang
Vice Chairman

The notes on pages 71 to 129 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Attributable to equity shareholders of the Company						
	Note	Share capital	Exchange reserve	Retained profits	Total	Non-controlling interests	Total
		(note 20(b)) US\$'000	(note 20(d)) US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At January 1, 2024		140,000	(414)	1,631,808	1,771,394	164	1,771,558
Changes in equity for year ended December 31, 2024:							
Profit for the year		–	–	365,913	365,913	289	366,202
Other comprehensive income for the year		–	188	–	188	21	209
Total comprehensive income for the year		–	188	365,913	366,101	310	366,411
Issuance of shares under initial public offering (“IPO”) (including partial exercise of the over-allotment option)	20(b)(i)	137,213	–	–	137,213	–	137,213
Interim dividend declared and paid	20(c)	–	–	(300,000)	(300,000)	–	(300,000)
At December 31, 2024		277,213	(226)	1,697,721	1,974,708	474	1,975,182
At January 1, 2025		277,213	(226)	1,697,721	1,974,708	474	1,975,182
Changes in equity for year ended December 31, 2025:							
Profit/(loss) for the year		–	–	328,901	328,901	(14)	328,887
Other comprehensive income for the year		–	200	–	200	5	205
Total comprehensive income for the year		–	200	328,901	329,101	(9)	329,092
2024 final dividend approved and paid	20(c)	–	–	(183,153)	(183,153)	–	(183,153)
Acquisition of additional interests in a subsidiary		–	–	11	11	(90)	(79)
Dividends to non-controlling interests of subsidiaries		–	–	–	–	(210)	(210)
At December 31, 2025		277,213	(26)	1,843,480	2,120,667	165	2,120,832

The notes on pages 71 to 129 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Operating activities			
Profit before taxation		329,449	365,916
Adjustments for:			
Depreciation and amortization	5(c)	156,302	176,960
Loss/(gain) on disposals of property, plant and equipment	4	15	(316)
Loss on disposals of intangible assets	4	8	–
Share of profits less losses of associates	13(a)	(365)	(1,438)
Share of profit of a joint venture	13(b)	(1,191)	(580)
Finance costs	5(a)	3,067	2,732
Interest income	4	(14,854)	(21,704)
Foreign exchange loss		23	913
Gain on termination of a lease arrangement	4	(41)	(223)
Operating profit before changes in working capital		472,413	522,260
Changes in working capital:			
Decrease/(increase) in bunkers		7,096	(5,233)
Decrease/(increase) in trade and other receivables		6,059	(42,231)
Decrease/(increase) in contract assets		4,702	(14,754)
Increase in trade and other payables		12,866	19,680
(Decrease)/increase in contract liabilities		(1,558)	1,014
Cash generated from operations		501,578	480,736
Income tax refunded/(paid)		567	(75)
Net cash generated from operating activities		502,145	480,661

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended December 31, 2025

	Note	2025 US\$'000	2024 US\$'000
Investing activities			
Payment for purchases of property, plant and equipment		(200,661)	(543,369)
Proceeds from disposals of property, plant and equipment		100	493
Payment for purchases of intangible assets		(32)	(86)
Payment for acquisition of interest in a joint venture		–	(2)
Interest income received		14,854	21,704
Dividend received from the associates		1,397	4,007
Dividend received from the joint venture		1,111	–
Net cash used in investing activities		(183,231)	(517,253)
Financing activities			
Capital element of lease rentals paid	15(b)	(53,243)	(91,414)
Interest element of lease rentals paid	15(b)	(3,067)	(2,732)
Proceeds from issuance of shares under IPO		–	142,365
Payment for listing expenses		–	(5,152)
Dividend paid to equity shareholders of the Company		(198,177)	(300,000)
Dividends paid to non-controlling interests of subsidiaries		(210)	–
Payment for acquisition of additional interests in a subsidiary		(79)	–
Net cash used in financing activities		(254,776)	(256,933)
Net increase/(decrease) in cash and cash equivalents		64,138	(293,525)
Cash and cash equivalents at January 1		422,134	716,337
Effect of foreign exchange rate changes		(586)	(678)
Cash and cash equivalents at December 31	15(a)	485,686	422,134

The notes on pages 71 to 129 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements 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 (“**HKCO**”). These 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 (“**Stock Exchange**”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interests in associates and a joint venture. The measurement basis used in the preparation of the financial statement is the historical cost basis except that non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 1(n)).

The preparation of financial statement in conformity with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) 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 these financial statements for the current accounting period. The amendments do not have a material impact on these 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.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(o) or 1(p) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests (Continued)

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(i)).

(e) Associates and joint venture

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). They are initially recognized at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 1(i)(i)).

Unrealized profits and losses resulting from transactions between the Group and its equity-accounted investees are eliminated to the extent of the Group's interest in the investee, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see note 1(i)).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment

Property, plant and equipment (including right-of-use assets) are stated at cost less accumulated depreciation and impairment losses (see note 1(i)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

Depreciation is calculated on straight line basis to write off the cost of property, plant and equipment, less their estimated residual value, if any, over their estimated useful lives. The principal annual rates used for this purpose are as follows:

– Right-of-use assets	Over the unexpired lease terms
– Vessels	4% – 33%
– Containers	15% – 100%
– Leasehold improvements	Higher of 20% and over the unexpired lease terms
– Furniture and equipment	20% – 33.33%
– Motor vehicles	20%
– Buildings situated on freehold land	3.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(g) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses (see note 1(i)).

Amortization of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Software with finite useful lives are amortized from the date they are available for use and their estimated useful lives are 1 to 5 years.

Both the period and method of amortization are reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(f) and 1(i)(ii)).

Refundable rental deposits is accounted for separately from the right-of-use assets. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets (Continued)

(i) As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with note 1(t)(iv).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(h)(i), then the Group classifies the sub-lease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses (“ECLs”) on (i) financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables which are held for the collection of contractual cash flows which represent solely payments of principal and interest) and (ii) contract assets as defined in HKFRS 15, *Revenues from contracts with customers*.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rate where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivable and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognizes a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued) **Significant increases in credit risk (Continued)**

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognized no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets; and
- investments in subsidiaries, associates and joint venture in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

– **Calculation of recoverable amount**

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

– **Recognition of impairment losses**

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– **Reversals of impairment losses**

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior reporting periods. Reversals of impairment losses are credited to profit or loss in the reporting period in which the reversals are recognized.

(j) Bunkers

Bunkers represent fuels for provision of shipping services and are stated at the lower of the cost and net realizable value. Cost is determined using first-in first-out basis. The carrying amount of bunkers is recognized in profit or loss upon consumption.

(k) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(l)).

Trade receivables are initially measured at their transaction price and subsequently stated at amortized cost, using the effective interest method and including an allowance for credit losses (see note 1(i)(i)).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) **Contract assets and contract liabilities**

A contract asset is recognized when the Group recognizes revenue (see note 1(t)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected ECLs in accordance with the policy set out in note 1(i)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(k)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 1(t)). A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see note 1(k)).

For a single contract with the customer, a net contract liability is presented. For multiple contracts, contract liabilities of unrelated contracts are not presented on a net basis.

(m) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 1(i)(i).

(n) **Non-current assets classified as held for sale**

A non-current asset is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below) are recognized at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group are concerned are deferred tax assets and financial assets (other than interests in associates and joint venture). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 1.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognized in profit or loss. As long as a non-current asset is classified as held for sale, the non-current asset is not depreciated or amortized.

(o) **Trade and other payables**

Trade and other payables are initially recognized at fair value and subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) **Interest-bearing borrowings**

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with the Group's accounting policy for borrowing costs (see note 1(v)).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Group operates a Mandatory Provident Fund Scheme (the “**MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the abolition of offsetting mechanism effective from May 1, 2025. The abolition of the offsetting mechanism did not have a material impact on the Group’s results and financial position.

(ii) Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognizes restructuring costs involving the payment of termination benefits.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) **Income tax (Continued)**

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) **Provisions, contingent liabilities and onerous contracts**

(i) **Provisions and contingent liabilities**

Provisions are recognized when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Provisions, contingent liabilities and onerous contracts (Continued)

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the provision of services in the ordinary course of the Group's business.

Income is recognized when control over a service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Income excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Container shipping services

Revenue from container shipping services is recognized over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages as at the end of the reporting period. Detention and demurrage fees are recognized over time until the timing of the customer's late return or pick-up of containers.

(ii) Other container shipping related services

Revenue from other container shipping related services is recognized over time upon the services have been rendered.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue and other income (Continued)

(iii) Interest income

Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortized cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(i)(i)).

(iv) Rental income from containers and charter hire revenue – vessels

Rental income from containers and charter hire revenue – vessels are recognized in equal instalments over the period covered by the contract period.

(u) Translation of foreign currencies

Foreign currency transactions during the reporting period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognizes such non-monetary assets or liabilities.

The results of operations outside Hong Kong are translated into United States dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into United States dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognized directly in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of operations outside Hong Kong, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalization of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) Related parties

- (1) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (2) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Related parties (Continued)

- (2) An entity is related to the Group if any of the following conditions applies: (Continued)
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (1).
 - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

2 ACCOUNTING JUDGMENTS AND ESTIMATES

Note 21 contains information about the assumptions and their risk factors relating to financial instruments. Other significant sources of estimation uncertainty are as follows:

Impairment of right-of-use assets and property, plant and equipment

Internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that right-of-use assets and property, plant and equipment may be impaired. If any such indication exists, the recoverable amount of the right-of-use assets and property, plant and equipment is estimated. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future periods.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provisions of container shipping and related services. Further details regarding the principal activities of each entity comprising the Group are disclosed in note 12.

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2025 US\$'000	2024 US\$'000
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
	1,284,763	1,340,398

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 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.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

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 US\$'000	2024 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
	1,284,763	1,340,398

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

4 OTHER REVENUE AND NET INCOME

	2025 US\$'000	2024 US\$'000
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
	114,507	92,735
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 (note 10(b))	41	223
Others	380	142
	6,009	376

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 US\$'000	2024 US\$'000
(a) Finance costs		
Interest on lease liabilities (note 10(b))	3,067	2,732

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

5 PROFIT BEFORE TAXATION (CONTINUED)

	2025 US\$'000	2024 US\$'000
(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
	74,261	70,091
(c) Other items		
Auditors' remuneration*		
– Audit services	455	370
– Other non-audit services	119	913
Depreciation of right-of-use assets (note 10(b))	55,355	91,188
Depreciation of property, plant and equipment (other than right-of-use assets) (note 10)	100,817	85,620
Amortization of intangible assets (note 11)	130	152
Cost of bunkers consumed	164,190	190,162
Listing expenses*	–	1,969

*: Included in "Administrative and other operating expenses".

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

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

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

	2025 US\$'000	2024 US\$'000
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	463	222
	533	(134)
Deferred tax		
Origination and reversal of temporary differences	29	(152)
	562	(286)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

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

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.

(b) Reconciliation between tax charge/(credit) and accounting profit at applicable tax rates:

	2025 US\$'000	2024 US\$'000
Profit before taxation	329,449	365,916
Notional tax on profits/losses before taxation, calculated at the rates applicable to profits/losses in the jurisdictions concerned	1,622	33,292
Tax effect of non-taxable income	(224,052)	(217,638)
Tax effect of non-deductible expenses	223,518	183,994
Utilization of tax losses previously not recognized	(586)	–
Under/(over)-provision in respect of prior years	70	(356)
Others	(10)	422
Actual tax charge/(credit)	562	(286)

Non-taxable income mainly represented shipping income not derived from the uplift of goods and shipments embarked in HKSAR and Singapore. Tax effect of non-deductible expenses mainly represented expenses incurred not in the production of the Group's assessable profits in HKSAR and Singapore.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

(c) Pillar Two income taxes

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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed with reference to section 381(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fee US\$'000	Salaries, allowances and benefits in kind US\$'000	Discretionary bonuses US\$'000	Retirement scheme contributions US\$'000	2025 Total US\$'000
<i>Chairman</i>					
Mr. Chen Teh-Sheng	42	312	360	–	714
<i>Executive directors</i>					
Mr. Chen Shao-Hsiang	42	119	270	3	434
Mrs. Chen Chuang Chuang-Li	42	128	300	3	473
Mr. Chow Hong Man	42	135	70	2	249
Mr. To Hung-Lin	42	156	320	3	521
<i>Independent non-executive directors</i>					
Mr. Wu Youn-Ger	42	–	10	–	52
Mr. Yang Li-Yen	42	–	10	–	52
Mr. Chang Shan-Hui	42	–	10	–	52
	336	850	1,350	11	2,547

	Directors' fee US\$'000	Salaries, allowances and benefits in kind US\$'000	Discretionary bonuses US\$'000	Retirement scheme contributions US\$'000	2024 Total US\$'000
<i>Chairman</i>					
Mr. Chen Teh-Sheng	–	80	400	–	480
<i>Executive directors</i>					
Mr. Chen Shao-Hsiang	–	167	300	3	470
Mrs. Chen Chuang Chuang-Li	–	155	300	3	458
Mr. Chow Hong Man	–	91	140	2	233
Mr. To Hung-Lin	–	195	350	3	548
<i>Independent non-executive directors</i>					
Mr. Wu Youn-Ger	7	–	–	–	7
Mr. Yang Li-Yen	7	–	–	–	7
Mr. Chang Shan-Hui	7	–	–	–	7
	21	688	1,490	11	2,210

During the years ended December 31, 2025 and 2024, there was no amount paid or payable by the Group to the directors or any of the five highest paid individuals as set out in note 8 below as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company has waived any emoluments during the year (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Out of the five individuals with the highest emoluments, four individuals (2024: four individuals) are directors whose emoluments are disclosed in note 7. The emoluments in respect of the remaining one individual (2024: one individual) are as follows:

	2025 US\$'000	2024 US\$'000
Salaries and other emoluments	86	147
Discretionary bonuses	260	300
Retirement scheme contributions	2	3
	348	450

The emoluments of one individual (2024: one individual) with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$2,500,001 – HK\$3,000,000	1	–
HK\$3,500,000 – HK\$4,000,000	–	1
	1	1

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

9 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 '000	2024 '000
Issued shares at January 1	1,665,031	140,000
Effect of shares allotment at nil cash consideration (note 20(b)(ii))	–	1,260,000
Effect of issuance of shares upon IPO and partial exercise of the over-allotment option (notes 20(b)(iii) and (iv))	–	43,132
Weighted average number of shares at December 31	1,665,031	1,443,132

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.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Vessels	Containers	Leasehold improvements	Furniture and equipment	Motor vehicles	Land and buildings	Right-of-use assets	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost:								
At January 1, 2024	904,587	199,887	355	2,903	577	3,518	498,936	1,610,763
Exchange adjustments	-	-	(23)	(131)	(18)	(430)	(827)	(1,429)
Additions	540,070	17,005	141	186	381	-	40,053	597,836
Early termination of a lease arrangement	-	-	-	-	-	-	(123,120)	(123,120)
Disposals	-	(691)	-	(219)	-	-	(48,892)	(49,802)
At December 31, 2024	1,444,657	216,201	473	2,739	940	3,088	366,150	2,034,248
At January 1, 2025	1,444,657	216,201	473	2,739	940	3,088	366,150	2,034,248
Exchange adjustments	-	-	5	50	15	66	1,036	1,172
Additions	11,531	92,410	202	165	196	-	48,028	152,532
Early termination of a lease arrangement	-	-	-	-	-	-	(76,596)	(76,596)
Disposals	-	(288)	(52)	(52)	-	-	-	(392)
Transfer to non-current assets classified as held for sale (note 16)	(30,085)	-	-	-	-	-	-	(30,085)
At December 31, 2025	1,426,103	308,323	628	2,902	1,151	3,154	338,618	2,080,879

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (Continued)

	Vessels US\$'000	Containers US\$'000	Leasehold improvements US\$'000	Furniture and equipment US\$'000	Motor vehicles US\$'000	Land and buildings US\$'000	Right-of-use assets US\$'000	Total US\$'000
Accumulated depreciation and accumulated impairment:								
At January 1, 2024	86,802	66,436	262	2,348	273	424	272,969	429,514
Exchange adjustments	-	-	(15)	(94)	(11)	(54)	(427)	(601)
Depreciation charge for the year	54,051	31,250	21	172	95	31	91,188	176,808
Early termination of a lease arrangement	-	-	-	-	-	-	(119,468)	(119,468)
Written-back on disposals	-	(541)	-	(192)	-	-	(48,892)	(49,625)
At December 31, 2024	140,853	97,145	268	2,234	357	401	195,370	436,628
At January 1, 2025	140,853	97,145	268	2,234	357	401	195,370	436,628
Exchange adjustments	-	-	7	34	12	8	448	509
Depreciation charge for the year	64,064	36,329	30	212	152	30	55,355	156,172
Early termination of a lease arrangement	-	-	-	-	-	-	(75,145)	(75,145)
Written-back on disposals	-	(185)	(41)	(51)	-	-	-	(277)
Transfer to non-current assets classified as held for sale (note 16)	(6,027)	-	-	-	-	-	-	(6,027)
At December 31, 2025	198,890	133,289	264	2,429	521	439	176,028	511,860
Net book value:								
At December 31, 2025	1,227,213	175,034	364	473	630	2,715	162,590	1,569,019
At December 31, 2024	1,303,804	119,056	205	505	583	2,687	170,780	1,597,620

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	2025 US\$'000	2024 US\$'000
Ownership interests in leasehold land and buildings held for own use, with remaining lease term of between 10 and 50 years	(i)	16,266	17,254
Properties leased for own use	(ii)	3,276	1,912
Vessels	(iii)	34,844	19,711
Containers	(iii)	108,204	131,896
Motor vehicles		–	7
		162,590	170,780

During the year ended December 31, 2025, the Group's additions to right-of-use assets were US\$48,028,000 (2024: US\$40,053,000). These amounts mainly related to the capitalized lease payments payable under new lease agreements relating to vessels and containers.

The analysis of items in relation to leases recognized in profit or loss is as follows:

	2025 US\$'000	2024 US\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land and buildings held for own use, with remaining lease terms of between 10 and 50 years	1,500	1,328
Properties leased for own use	1,728	1,539
Vessels	28,802	60,492
Containers	23,318	27,821
Motor vehicles	7	8
	55,355	91,188
Interest on lease liabilities	3,067	2,732
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	875	447
Expenses relating to short-term leases	148,054	125,137
Gain on termination of a lease arrangement	(41)	(223)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (Continued)

(i) Ownership interests in leasehold land and buildings held for own use

The Group has property interests in buildings for office use. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Properties leased for own use

The Group has obtained the right to use certain properties as its offices through tenancy agreements. The leases typically run for an initial period of 1 to 5 years and does not include variable lease payments.

The leases which the Group entered into do not include an option to renew the lease. All of the leases are re-negotiated upon expiration.

(iii) Vessels and containers

The Group leases certain vessels and containers under leases expiring from 1 to 10 years. Some leases include an option to renew the leases for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group. For those lease that are not reasonably certain to exercise the extension options, the future lease payables during the extension periods are not included in the measurement of lease liabilities.

(c) Vessels leased out under operating leases

The Group leases out a number of vessels with carrying amounts of US\$385,177,000 (2024: US\$264,675,000) under operating leases. The leases typically run for an initial period of 1 to 3 years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes variable lease payments. Undiscounted lease payments of US\$74,157,000, US\$31,336,000 and US\$2,537,000 (2024: US\$42,703,000, US\$31,390,000 and US\$24,750,000) under non-cancellable operating leases in place at the reporting date will be receivable by the Group in 2026, 2027 and 2028, respectively (2024: 2025, 2026 and 2027, respectively).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

11 INTANGIBLE ASSETS

	Software
	US\$'000
Cost	
As at January 1, 2024	904
Exchange adjustments	(9)
Additions	86
As at December 31, 2024	981
As at January 1, 2025	981
Exchange adjustments	7
Additions	32
Disposals	(16)
As at December 31, 2025	1,004
Accumulated amortization:	
As at January 1, 2024	103
Exchange adjustments	(5)
Amortization charge for the year	152
As at December 31, 2024	250
As at January 1, 2025	250
Exchange adjustments	6
Amortization charge for the year	130
Written-back on disposals	(8)
As at December 31, 2025	378
Net book value	
As at December 31, 2025	626
As at December 31, 2024	731

The amortization charge for the year is included in “administrative and other operating expenses” in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

12 INVESTMENTS IN SUBSIDIARIES

As at the date of this report, the Company has direct interests in the following subsidiaries, all of which are private companies:

Name of subsidiaries directly held	Place of incorporation/establishment and business	Particulars of issued and paid-up capital	Proportion of ownership interest	Principal activities
T.S. Hong Kong Shipping Corp.	The Republic of Panama	US\$10,000	100%	Vessel Chartering
T.S. Empire Holding Limited	The Republic of Marshall Islands ("Marshall Islands")	US\$50,000	100%	Vessel chartering
T.S. Kingdom Holding Limited	Marshall Islands	US\$50,000	100%	Vessel chartering
Shanghai Desheng Shipping Co., Ltd. (上海德聖船務有限公司)	Chinese Mainland, limited liability company	RMB68,333,798	100%	Provision of shipping agency services
T.S. Lines Korea Co., Ltd.	The Republic of Korea ("Korea")	KRW100,000,000	100%	Provision of shipping agency services
T.S. Container Lines Vietnam Company Limited	Vietnam	VND6,678,000,000	100%	Provision of shipping agency services
T.S. Container Lines Ha Noi Company Limited	Vietnam	VND6,675,000,000	100%	Provision of shipping agency services
T.S. Dynasty Limited	HKSAR	US\$7,500,000	100%	Inactive
Glory Shipping Company Limited	Marshall Islands	US\$50,000	100%	Investment holding
T.S. Lines (Japan) Limited	Japan	JPY50,000,000	100%	Provision of shipping agency services
T.S. Glory Limited	HKSAR	US\$50,000	100%	Inactive
T.S. Majesty Limited	HKSAR	US\$50,000	100%	Inactive
Nobility Shipping Company Ltd	Marshall Islands	US\$50,000	100%	Investment holding
T.S. Domain Limited	HKSAR	US\$50,000	100%	Inactive
Royalty Shipping Limited	Marshall Islands	US\$50,000	100%	Vessel chartering
Dignity Shipping Company Limited	Marshall Islands	US\$400,000	100%	Vessel chartering
Authority Shipping Company Limited	Marshall Islands	US\$600,000	100%	Vessel chartering
Primacy Shipping Company Limited	Marshall Islands	US\$400,000	100%	Vessel chartering

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries directly held	Place of incorporation/establishment and business	Particulars of issued and paid-up capital	Proportion of ownership interest	Principal activities
Duk Sang T.S. Lines Co., Ltd.	Korea	KRW500,000,000	80%	Provision of shipping agency services
Sovereignty Shipping Company Limited	Marshall Islands	US\$600,000	100%	Vessel chartering
Splendor Shipping Maritime Limited	Marshall Islands	US\$100,000	100%	Vessel chartering
Abundance Shipping Maritime Limited	Marshall Islands	US\$100,000	100%	Vessel chartering
Bravery Shipping Maritime Limited	Marshall Islands	US\$100,000	100%	Vessel chartering
Magnificence Shipping Maritime Limited	Marshall Islands	US\$100,000	100%	Vessel chartering
T.S. Container Lines (M) Sdn Bhd	Malaysia	RM500,000	100%	Provision of shipping agency services
Count Shipping Company Limited	Marshall Islands	US\$50,000	100%	Vessel chartering
Dux Shipping Company Limited	Marshall Islands	US\$50,000	100%	Vessel chartering
Viscount Shipping Company Limited	Marshall Islands	US\$50,000	100%	Vessel chartering
TSL Container Lines (Philippines) Inc	The Republic of the Philippines	PHP11,000,000	70%	Provision of shipping agency services
TS Container Lines Pte. Ltd.	Singapore	US\$100	100%	Provision of shipping agency services
TS Marina Bay Pte. Ltd.	Singapore	US\$100	100%	Provision of shipping agency services
T.S. Lines Pak (Private) Limited	Pakistan	PKR28,000,000	100%	Provision of shipping agency services
T.S. Lines (HK) Limited	HKSAR	HK\$10,000,000	100%	Provision of shipping agency services

13 INTERESTS IN ASSOCIATES AND A JOINT VENTURE

(a) Interests in associates

The particulars of associates, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of Company	Place of incorporation/ establishment and operation	Amount of issued and paid-up capital	Proportion of ownership interest		Principal activities
			2025	2024	
T.S. Lines (India) Private Limited	India	INR100,000	40%	40%	Provision of shipping agency services
T.S. Container Lines (Thailand) Co., Ltd.	Thailand	THB6,000,000	49%	49%	Provision of shipping agency services

All of the above associates are unlisted corporate entities whose quoted market price is not available.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

13 INTERESTS IN ASSOCIATES AND A JOINT VENTURE (CONTINUED)

(a) Interests in associates (Continued)

Summary financial information on associates

All of the above associates are not individually material, aggregate information of these associates is disclosed below:

	2025 US\$'000	2024 US\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated statement of financial position	1,770	2,856
Aggregate amounts of the Group's share of these associates'		
Profits less losses from operations	365	1,438
Other comprehensive income	(54)	(89)
Total comprehensive income	311	1,349

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

13 INTERESTS IN ASSOCIATES AND A JOINT VENTURE (CONTINUED)

(b) Interest in a joint venture

The particulars of joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of Company	Place of incorporation/ establishment and operation	Amount of issued and paid-up capital	Proportion of ownership interest		Principal activities
			2025	2024	
T.S. Lines UAE L.L.C.	United Arab Emirates	US\$40,274	51%	51% (note)	Provision of shipping agency services

Note: In July 2024, the Company entered into a share transfer agreement to acquire additional 2% equity interest in T.S. Lines UAE L.L.C. at cash consideration of approximately US\$2,000. Upon the completion of this acquisition, T.S. Lines UAE L.L.C. would become a joint venture of the Group as the Group would have joint control on this entity in accordance with the shareholders' agreement.

T.S. Lines UAE L.L.C., the only joint venture in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

Summary financial information on a joint venture

The above joint venture is not individually material, aggregate information of the joint venture is disclosed below:

	2025 US\$'000	2024 US\$'000
Carrying amount of individually immaterial joint venture in the consolidated statement of financial position	1,616	1,490
Amounts of the Group's share of the joint venture's		
Profit from operations	1,191	580
Other comprehensive income	46	202
Total comprehensive income	1,237	782

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

14 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

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

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 US\$'000	2024 US\$'000
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
	100,603	106,391

The Group's trade debtors are normally due within 30 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors are set out in note 21(a).

Contract assets represent the incomplete voyages as at the end of the reporting period, which are normally billed upon completion of voyages.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

15 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) **Cash and cash equivalents comprise:**

	2025 US\$'000	2024 US\$'000
Cash at bank and on hand	485,686	422,134

As at December 31, 2025, cash at bank of US\$8,144,000 (2024: US\$10,298,000) is placed with the banks in Chinese Mainland. The remittance is subject to relevant rules and regulations of foreign exchange control promulgated by Chinese Mainland government.

(b) **Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Lease liabilities (Note 18) US\$'000
At January 1, 2024	217,209
Changes from financing cash flows:	
Capital element of lease rentals paid	(91,414)
Interest element of lease rentals paid	(2,732)
Total changes from financing cash flows	(94,146)
Exchange adjustments	(191)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	34,905
Interest expense on lease liabilities (note 5(a))	2,732
Early termination of a lease arrangement	(3,875)
Total other changes	33,762
At December 31, 2024	156,634

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

15 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities: (Continued)

	Lease liabilities (note 18) US\$'000
At January 1, 2025	156,634
Changes from financing cash flows:	
Capital element of lease rentals paid	(53,243)
Interest element of lease rentals paid	(3,067)
Total changes from financing cash flows	(56,310)
Exchange adjustments	(255)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	48,028
Interest expense on lease liabilities (note 5(a))	3,067
Early termination of a lease arrangement	(1,492)
Total other changes	49,603
At December 31, 2025	149,672

(c) Total cash outflows for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2025 US\$'000	2024 US\$'000
Within operating cash flows	148,929	125,584
Within financing cash flows	56,310	94,146
	205,239	219,730

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(Expressed in United States dollars unless otherwise indicated)

15 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Total cash outflows for leases (Continued)

These amounts relate to the following:

	2025 US\$'000	2024 US\$'000
Lease rentals paid	205,239	219,730

16 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended December 31, 2025, the Group committed to a plan to sell certain vessels. In the opinion of the directors, the disposals of these vessels were expected to be completed within twelve months from the end of the reporting period. As a result, these vessels with aggregate carrying amount of US\$24,058,000 had been classified as non-current assets classified as held for sale at December 31, 2025. The disposals were subsequently completed after the end of the reporting period (see note 25).

17 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	2025 US\$'000	2024 US\$'000
Trade payables	148,170	140,269
Other payables and accrued charges	19,781	28,908
Deposits received	12,737	12,317
	180,688	181,494
Contract liabilities	2,555	4,113
	183,243	185,607

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).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

17 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

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

18 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025 US\$'000	2024 US\$'000
Within one year	46,396	41,251
After 1 year but within 2 years	29,739	22,837
After 2 years but within 5 years	57,831	59,503
After 5 years	15,706	33,043
	103,276	115,383
	149,672	156,634

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

19 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) **Current taxation in the consolidated statement of financial position represents:**

	2025 US\$'000	2024 US\$'000
Balances of Profits Tax provision relating to prior years	5,016	3,973
Tax payable outside Hong Kong	328	271
	5,344	4,244

(b) **Deferred tax assets and liabilities recognized:**

The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements during the year are as follows:

	Depreciation less than related depreciation allowance US\$'000	Unused tax losses US\$'000	Total US\$'000
At January 1, 2024	(756)	756	–
Credited/(charged) to profit or loss	283	(131)	152
At December 31, 2024	(473)	625	152
At January 1, 2025	(473)	625	152
Charged to profit or loss	473	(502)	(29)
At December 31, 2025	–	123	123

	2025 US\$'000	2024 US\$'000
Represented by:		
Deferred tax assets	123	152

(c) **Deferred tax assets not recognized**

In accordance with the accounting policy set out in note 1(r), the Group has not recognized deferred tax assets in respect of cumulative tax losses of US\$23,951,000 (2024: US\$27,502,000) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdictions. The tax losses do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

20 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital US\$'000	Retained profits US\$'000	Total US\$'000
At January 1, 2024	140,000	861,270	1,001,270
Profit and total comprehensive income for the year	–	259,382	259,382
Interim dividend declared and paid (note 20(c))	–	(300,000)	(300,000)
Issuance of shares under IPO (notes 20(b)(iii) and (iv))	137,213	–	137,213
At December 31, 2024 and January 1, 2025	277,213	820,652	1,097,865
Profit and total comprehensive income for the year	–	806,471	806,471
2024 final dividend approved and paid (note 20(c))	–	(183,153)	(183,153)
At December 31, 2025	277,213	1,443,970	1,721,183

(b) Share capital

(i) Issued share capital

	No. of shares '000	US\$'000
Shares, issued and fully paid		
At January 1, 2024	140,000	140,000
Shares allotment (note 20(b)(ii))	1,260,000	–
Issuance of shares upon IPO (note 20(b)(iii))	250,940	129,690
Issuance of shares upon partial exercise of the over-allotment option (note 20(b)(iv))	14,091	7,523
At December 31, 2024, January 1, 2025 and December 31, 2025	1,665,031	277,213

In accordance with section 135 of the Hong Kong Companies Ordinance, the shares of the Company do not have a par value.

The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

20 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Share capital (Continued)

(ii) Shares allotment

In October 2024, additional 1,260,000,000 shares were allotted and issued at nil cash consideration to the existing shareholders of the Company with no change in their respective equity interests in the Company before and after the allotment and issuance of these shares. The purpose of this allotment was to rationalize the shareholding structure in connection with the Company's IPO.

(iii) Issuance of shares upon IPO

On November 1, 2024, 250,940,000 shares of the Company were issued at a price of HK\$4.18 upon IPO. On the same date, the Company's shares were listed on the Stock Exchange.

(iv) Issuance of shares upon partial exercise of the over-allotment option

On November 28, 2024, 14,091,000 shares of the Company were issued at a price of HK\$4.18 upon partial exercise of the over-allotment option.

(c) Dividends

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

	Note	2025 US\$'000	2024 US\$'000
Interim dividend declared and paid of nil (2024: US\$0.214 per Share)	(i)	–	300,000
Final dividend proposed after the end of the reporting period of US\$0.100 per Share (2024: US\$0.110 per Share)	(ii)	166,503	183,153

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 shares allotment as disclosed in note 20(b)(ii).
- (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 US\$'000	2024 US\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of US\$0.110 per Share (2024: nil)	183,153	–

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

20 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currencies other than US\$. The reserve is dealt with in accordance with the accounting policies set out in note 1(u).

(e) Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There has been no change in the Group's capital management practices as compared to prior years. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with sound credit ratings, for which the Group considers to have low credit risk.

Trade receivables and contract assets

The Group has a vast customer base that is not connected. Thus, the ability to concentrate the credit risk is limited.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

Trade receivables and contract assets (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

	At December 31, 2025		
	Expected loss rate	Gross carrying amount US\$'000	Loss allowance US\$'000
Current (not past due)	-*	111,586	–
1 to 30 days past due	-*	280	–
31 to 60 days past due	-*	14	–
More than 60 days past due	0.60%	336	2
		112,216	2

	At December 31, 2024		
	Expected loss rate	Gross carrying amount US\$'000	Loss allowance US\$'000
Current (not past due)	-*	121,247	–
1 to 30 days past due	-*	879	–
31 to 60 days past due	-*	–	–
More than 60 days past due	0.35%	580	2
		122,706	2

Expected loss rates are based on loss experience in the past and available financial information. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables and contract assets.

* The Group has assessed the expected credit loss rate for the trade receivables and contract assets in these categories. However, in view of the overall low historical default rates and immaterial forward-looking adjustment, the expected credit losses for these categories of trade receivables and contract assets are insignificant that they are rounded down to nil in thousand dollars scale.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities of the Group's financial liabilities as at the end of the reporting period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at respective dates) and the earliest date the Group can be required to pay.

	At December 31, 2025					Carrying amount US\$'000
	Contractual undiscounted cash outflows					
	Within one year or on demand US\$'000	More than one year but less than two years US\$'000	More than two years but less than five years US\$'000	More than five years US\$'000	Total US\$'000	
Trade and other payables	180,688	–	–	–	180,688	180,688
Lease liabilities	48,870	30,945	59,551	15,794	155,160	149,672
	229,558	30,945	59,551	15,794	335,848	330,360

	At December 31, 2024					Carrying amount US\$'000
	Contractual undiscounted cash outflows					
	Within one year or on demand US\$'000	More than one year but less than two years US\$'000	More than two years but less than five years US\$'000	More than five years US\$'000	Total US\$'000	
Trade and other payables	181,494	–	–	–	181,494	181,494
Lease liabilities	43,029	24,199	62,015	33,433	162,676	156,634
	224,523	24,199	62,015	33,433	344,170	338,128

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings issued at fixed rates expose the Group to fair value interest risk. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

	At December 31,			
	2025		2024	
	Effective interest rate	US'000	Effective interest rate	US'000
	%		%	
Fixed rate borrowings:				
Lease liabilities	1.26%- 12%	149,672	1.13%- 6.643%	156,634

(ii) Sensitivity analysis

At December 31, 2025 and 2024, no sensitivity analysis was presented as all the borrowings are fixed rate borrowings and the Group does not hold any financial instruments measured at fair value.

(d) Currency risk

The Group 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 Renminbi ("RMB"), Japanese Yen ("JPY"), United States dollars ("US\$"), Hong Kong dollars ("HKD") and New Taiwan dollars ("NTD").

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in United States dollars, translated using the spot rate at the end of the reporting period.

	Exposure to foreign currencies as at December 31, 2025 (expressed in United States dollars)				
	RMB US\$'000	JPY US\$'000	US\$ US\$'000	HKD US\$'000	NTD US\$'000
Trade and other receivables	11,067	6,643	29,826	9,276	45,336
Cash and cash equivalents	39	100,253	3,409	4,550	-
Trade and other payables	(5,403)	(2,427)	(33,234)	(2,835)	-
Net exposure arising from recognized assets and liabilities	5,703	104,469	1	10,991	45,336

	Exposure to foreign currencies as at December 31, 2024 (expressed in United States dollars)				
	RMB US\$'000	JPY US\$'000	US\$ US\$'000	HKD US\$'000	NTD US\$'000
Trade and other receivables	44,301	5,579	36,294	-	-
Cash and cash equivalents	228	61,344	3,556	90,333	-
Trade and other payables	(465)	(4,578)	(39,790)	-	-
Net exposure arising from recognized assets and liabilities	44,064	62,345	60	90,333	-

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after taxation that would arise if foreign exchange rates to which the entity has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	At December 31,			
	2025		2024	
	Increase/ (decrease) in foreign exchange rates %	Effect on profit after taxation and retained profits US'000	Increase/ (decrease) in foreign exchange rates %	Effect on profit after taxation and retained profits US'000
RMB	5% (5%)	285 (285)	5% (5%)	2,203 (2,203)
JPY	5% (5%)	5,223 (5,223)	5% (5%)	3,117 (3,117)
US\$	5% (5%)	– –	5% (5%)	3 (3)
HKD	5% (5%)	550 (550)	5% (5%)	4,517 (4,517)
NTD	5% (5%)	2,267 (2,267)	5% (5%)	– –

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after taxation and retained profits in the respective functional currencies, translated into United States dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statement of foreign operations into the Group's presentation currency. The analysis is performed on the same basis as 2024.

(e) Fair values

The carrying amounts of the Group's financial instruments carried at amortized cost were not materially different from their fair values as at December 31, 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

22 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel emoluments

All members of key management personnel are the directors of the Group and their emoluments are disclosed in note 7.

(b) Transactions with other related parties

	Note	2025 US'000	2024 US'000
Companies controlled by the controlling shareholders or partially owned by the controlling shareholders with significant influence:			
Commissions paid/payable	(i)	8,620	7,914
Commissions received/receivable	(ii)	596	641
Freight and handling services income collected on the Group's behalf		185,378	168,690
Freight service charge paid/payable and handling services fee paid on the Group's behalf	(iii)	88,768	71,782
Freight and handling services income collected on behalf of the companies controlled by the controlling shareholders	(iv)	20,481	15,765
Freight services charges and handling services paid on behalf of the companies controlled by the controlling shareholders		7,962	7,459
Revenue from provision of container shipping services	(ii)	4,498	3,157
Charter hire expenses – vessels	(ii)	11,821	14,640
Charter hire expenses – slots	(ii)	4,709	2,806
Rental income from containers	(ii)	2,556	2,945
Associates:			
Commissions paid/payable	(v)	4,983	4,792
Freight and handling services income collected on the Group's behalf		81,948	98,063
Freight service charge paid/payable and handling services fee paid on the Group's behalf		37,173	42,779

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with other related parties (Continued)

	Note	2025 US'000	2024 US'000
Joint venture:			
Commissions paid/payable	(ii)	795	682
Freight and handling services income collected on the Group's behalf		6,575	3,514
Freight service charge paid/payable and handling services fee paid on the Group's behalf		5,132	2,083

Notes:

- (i) Included in this related party transaction, there is an amount of US\$4,649,000 (2024: US\$5,017,000) constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section Continuing Connected Transactions of the Report of the Directors.
- (ii) These related party transactions represent continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section Continuing Connected Transactions of the Report of the Directors.
- (iii) Included in this related party transaction, there is an amount of US\$419,000 (2024: US\$ 436,000) constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. However this transaction is exempt from the disclosure requirements under Chapter 14A of the Listing Rules as it is below the de minimis threshold under Rule 14A.76(1).
- (iv) Included in this related party transaction, there is an amount of US\$104,000 (2024: US\$104,000) constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. However this transaction is exempt from the disclosure requirements under Chapter 14A of the Listing Rules as it is below the de minimis threshold under Rule 14A.76(1).
- (v) Included in this related party transaction, there is an amount of US\$3,527,000 (2024: US\$3,488,000) constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section Continuing Connected Transactions of the Report of the Directors.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances

	Note	2025 US'000	2024 US'000
Trade-related			
Amounts due from associates	(i)	2,474	9,136
Amount due from a joint venture	(i)	3	–
Amounts due from related companies	(ii)	32,939	30,464
		35,416	39,600
Trade-related			
Amount due to associates	(iii)	379	–
Amount due to a joint venture	(iii)	50	2,622
Amount due to a related company	(iv)	771	70
Non-trade related			
Dividend payable to a shareholder	(v)	–	15,024

Notes:

- (i) The amounts due from the Group's associates and a joint venture are unsecured, interest-free and due within 30 days from the date of billing.
- (ii) The amounts are due from companies controlled by the controlling shareholders and a related company partially owned by the controlling shareholders with significant influence, which are unsecured, interest-free and due within 30 days from the date of billing.
- (iii) The amount due to the Group's associates and a joint venture are unsecured, interest-free and due within 30 days from the date of billing.
- (iv) The amount is due to a company controlled by the controlling shareholder, which is unsecured, interest-free and due within 30 days from the date of billing,
- (v) The dividend payable to a shareholder had no fixed terms of repayment. The settlement of dividend payable of US\$15,024,000 as at December 31, 2024 was still conditional upon adjudication of by the court that Mr. Wu Shang-Ying to be the beneficial owner of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

23 COMMITMENTS

Capital commitments outstanding at the end of the reporting period not provided for in the consolidated financial statements were as follows:

	2025 US\$'000	2024 US\$'000
Vessels contracted but not provided for	837,212	599,128

24 COMPANY-LEVEL FINANCIAL INFORMATION

	Note	2025 US\$'000	2024 US\$'000
Non-current assets			
Property, plant and equipment		234,727	411,044
Intangible assets		591	692
Interests in subsidiaries		71,831	21,652
Interests in associates		41	41
Interest in a joint venture		2	2
Deferred tax assets		123	152
		307,315	433,583
Current assets			
Bunkers		–	21,209
Contract assets		–	16,313
Trade and other receivables		1,270,436	633,170
Cash and cash equivalents		203,274	298,069
		1,473,710	968,761

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

24 COMPANY-LEVEL FINANCIAL INFORMATION (CONTINUED)

	Note	2025 US\$'000	2024 US\$'000
Current liabilities			
Contract liabilities		32	24
Trade and other payables		52,832	145,362
Lease liabilities		704	40,584
Tax payable		5,016	3,973
		58,584	189,943
Net current assets			
		1,415,126	778,818
Total assets less current liabilities			
		1,722,441	1,212,401
Non-current liability			
Lease liabilities		1,258	114,536
NET ASSETS			
		1,721,183	1,097,865
CAPITAL AND RESERVES			
Share capital	20(b)	277,213	277,213
Reserves		1,443,970	820,652
TOTAL EQUITY			
		1,721,183	1,097,865

Approved and authorized for issue by the Board of Directors on March 20, 2026

Mr. Chen Teh-Sheng
Chairman

Mr. Chen Shao-Hsiang
Vice Chairman

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

25 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (a) After the end of the reporting period, the directors proposed a final dividend and details of which are disclosed in note 20(c).
- (b) On January 22, 2026, the Group entered into a disposal agreement with TEH Shipping Lines Co., Ltd. a connected person of the Group, to sell a vessel for a consideration of US\$23,000,000. At the same date, the Group also entered into a vessel chartering agreement with TEH Shipping Lines Co., Ltd. for the vessel chartering for a term commencing from January 24, 2026 to March 31, 2026. For details, please refer to the Company's announcements dated January 22, 2026 and January 29, 2026.
- (c) After the end of the reporting period, the Group entered into a disposal agreement with an independent third party to sell a vessel for a consideration of US\$41,250,000, and the transaction was completed in January 2026.
- (d) After the end of the reporting period, the Group entered into several shipbuilding contracts in relation to the purchases of four new vessels at an aggregate consideration of US\$168,600,000.

26 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended December 31, 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	January 1, 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	January 1, 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	January 1, 2026
HKFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	January 1, 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact to the Group, except for HKFRS 18, where the presentation and disclosures of the Group's consolidated financial statements are expected to change.

27 COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed in 2024.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

RESULTS

	For the year ended December 31,				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Revenue	1,284,763	1,340,398	874,602	2,443,470	1,837,436
Gross profit/(loss)	253,694	315,026	(33,789)	1,091,340	931,466
Profit before taxation	329,449	365,916	13,838	1,085,785	1,086,286
Profit attributable to equity shareholders of the Company	328,901	365,913	20,709	1,074,541	1,077,730

ASSETS, LIABILITIES AND EQUITY

	As at December 31,				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Total assets	2,459,091	2,321,667	2,159,742	2,773,362	2,246,815
Total liabilities	(338,259)	(346,485)	(388,184)	(622,395)	(799,141)
Non-controlling interests	(165)	(474)	(164)	(462)	(590)
Total equity attributable to equity shareholders of the Company	2,120,667	1,974,708	1,771,394	2,150,505	1,447,084

GLOSSARY

“AGM”	the forthcoming annual general meeting of the Company to be held on May 21, 2026
“Articles of Association”	the second amended and restated articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Chairman”	the chairman of the Board
“Chen Family Group”	Mr. Chen, Mrs. Chen, Mr. James Chen and Ms. Christy Chen
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company”	T.S. Lines Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 02510)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to TS Investment, Prevalence, Providence, AM Holding, Maritime Legacy, TS Chen Holding, Search & Search, JC Righteous, Avermay, Vision Investments, Nova Foundation, Mr. Chen, Mrs. Chen, Mr. James Chen, Ms. Christy Chen and Mr. Sharafuddin
“Cross Strait Holding”	Cross Strait Holding Limited, a company incorporated in the Marshall Islands with limited liability on March 29, 2023 and a wholly-owned subsidiary of TEH Shipping. It is a connected person of the Company
“Cross-strait Trade Lanes”	the trade lanes for shipping directly between designated ports in Chinese Mainland on one hand and designated ports in Taiwan on the other hand as stipulated under the Measures on the Administration of Cross-Taiwan Strait Shipping Operation (台灣海峽兩岸間航運管理辦法) promulgated by the Ministry of Transport on August 19, 1996, the Notice of the Ministry of Transport on Issues Concerning the Implementation of the ‘Measures on the Administration of Cross-Taiwan Strait Shipping Operation’ (交通部關於實施<台灣海峽兩岸間航運管理辦法>有關問題的通知) promulgated by the Ministry of Transport and effective on October 31, 1996, and the Announcement on Implementation Matters for Cross-Taiwan Strait Direct Shipping Operation (關於台灣海峽兩岸間海上直航實施事項的公告) published on December 10, 2008, which currently covers 72 designated ports in Chinese Mainland and 13 designated ports in Taiwan for the purpose above. Shipping companies and the vessels owned or operated by them are required to possess the Cross-Taiwan Strait Waterway Transportation Permit and the Cross-Taiwan Strait Vessel Operation Permit, respectively, issued by the Ministry of Transport in order to operate Cross-strait Trade Lanes

GLOSSARY

“Deed of Non-Competition”	the deed of non-competition dated October 22, 2024 and executed by the Chen Family Group and TEH Shipping in favor of the Company, details of which are set out in the section headed “Relationship with our Controlling Shareholders — Deed of Non-Competition” in the Prospectus
“Diamond Shipping”	Diamond Shipping Services (Pvt) Ltd., a company incorporated with limited liability in Sri Lanka on August 1, 2008 and is owned as to 60% by Sri Lanka Shipping Co. Ltd., an Independent Third Party and controlled as to 40% by Mr. Sharafuddin. It is a connected person of the Company
“Director(s)”	the director(s) of the Company
“Global Offering”	as defined in the Prospectus
“Group”	Company and its subsidiaries
“Listing Date”	November 1, 2024, being the date from which the Shares are listed and dealings in the Shares are first permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Mr. Chen”	Mr. Chen Teh-Sheng (陳德勝), Chairman and one of the executive Directors and Controlling Shareholders
“Mr. Sharafuddin”	General Sharafuddin Alsayed Mohd H S M Yousif Sharaf, one of the Controlling Shareholders
“Mr. James Chen”	Mr. Chen Shao-Hsiang (陳劭翔), Vice Chairman and one of the executive Directors and Controlling Shareholders
“Mrs. Chen”	Mrs. Chen Chuang Chuang-Li (莊壯麗), one of the executive Directors and Controlling Shareholders
“Ms. Christy Chen”	Ms. Chen I-Chi (陳依琦), one of the Controlling Shareholders

GLOSSARY

“Nomination Committee”	the nomination committee of the Company
“Prospectus”	the prospectus issued by the Company dated October 24, 2024
“Reporting Period”	the year ended December 31, 2025
“Remuneration Committee”	the remuneration committee of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Sharaf Kenya Agency”	Sharaf Shipping Agency (K) Ltd., a private company established in Kenya on October 24, 2003 and owned as to 70% by Oasis International Holdings Limited (a company ultimately controlled by Mr. Sharafuddin), 20% by Panafrican Trade and Investments Ltd. (an Independent Third Party) and 10% by Maha Holdings Ltd. (an Independent Third Party). It is a connected person of the Company
“Sharaf Oman Agency”	Merchant Shipping Services LLC, a company established in Oman on October 14, 2002 and owned as to 70% by Sharaf Investment, LLC (a company ultimately controlled by Mr. Sharafuddin) and 30% by Almasa Services Navigation (an Independent Third Party). It is a connected person of the Company
“Sharaf Pakistan Agency”	Sharaf Shipping Agency (Pvt) Ltd., a company established in Pakistan with limited liability on November 24, 2006 and ultimately controlled by Mr. Sharafuddin. It is a connected person of the Company
“Sharaf SA Agency”	Pride Shipping Co. Ltd., a company established in Saudi Arabia on October 15, 1998 and owned as to 50% by Sharaf Investment, LLC (a company ultimately controlled by Mr. Sharafuddin), 30% by Globe Marine Services Co. Ltd. (an Independent Third Party) and 20% by Mr. Ehsan Fareed Abdul Jawad (an Independent Third Party). It is a connected person of the Company
“Sharaf Tanzania Agency”	Sharaf Shipping Agency (T) Ltd., a private limited company established in Tanzania on October 20, 2003 and owned as to approximately 40.00% by Oasis International Holdings Limited (a company ultimately controlled by Mr. Sharafuddin), approximately 49.59% by Abdulrahman Omar Kinana (an Independent Third Party) and approximately 10.41% by Rahma Hussein Gulled (an Independent Third Party). It is a connected person of the Company
“Shares”	the ordinary shares of the Company

GLOSSARY

“Shareholders”	the holder of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEH Shipping”	TEH Shipping Lines Co., Ltd. (德勝航運股份有限公司) (formerly known as T.S. Lines Co., Ltd (德翔海運股份有限公司)), a company limited by shares and incorporated in Taiwan on September 3, 2004 and a company owned as to 88.4% by the Chen Family Group. It is a connected person of the Company
“Transpacific”	Asia – North America
“TS India”	T.S. Lines (India) Private Limited, a company established in India with limited liability on March 26, 2008 and controlled as to 60% by Mr. Sharafuddin and owned as to 40% by the Company. It is a connected person of the Company
“TS Pakistan”	T.S. Lines Pak (Private) Limited, a company established in Pakistan on March 27, 2025 and controlled as to 51% by the Company and 49% by Privilege Investment L.L.C., a company ultimately controlled by Mr. Sharafuddin. It is a connected person of the Company
“TS UAE”	T.S. Lines UAE L.L.C., a company established in the United Arab Emirates with limited liability on May 3, 2012 and a joint venture owned as to 51% by the Company and indirectly owned as to 49% by Mr. Sharafuddin. It is a connected person of the Company
“TSSA”	T.S. Shipping Agency Co., Ltd. (德翔船務代理股份有限公司), a company limited by shares and incorporated in Taiwan on November 29, 2000 and owned as to (i) 39.5% by Jiwen Industrial Co., Ltd. (基穩實業股份有限公司) (which is owned as to 99.99% by Mrs. Chen and 0.01% by Mr. Chen); (ii) 30% by Wujiang Capital Co., Ltd (無疆資本股份有限公司) (which is owned as to 99.99% by Mr. James Chen and as to 0.01% by Mr. Chen); (iii) 30% by Huiju Capital Co., Ltd. (匯聚資本股份有限公司) (which is owned as to 99.99% by Ms. Christy Chen and 0.01% by Mr. Chen); and (iv) 0.5% by Mr. Chen. It is a connected person of the Company
“Vice Chairman”	the vice chairman of the Board
“%”	per cent