T.S. LINES
德翔海運

T.S. Lines Limited
德翔海運有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 2510

2026

INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Teh-Sheng
(Former Chairman and Chief Executive Officer, resigned on June 1, 2026)
Mr. Chen Shao-Hsiang (James)
(Chairman and Chief Executive Officer, appointed on June 1, 2026)
Mrs. Chen Chuang Chuang-Li
Mr. To Hung-Lin
Mr. Chow Hong Man
Ms. Chen I-Chi (Christy) *(Appointed on June 1, 2026)*

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 *(Former Chairperson, resigned on June 1, 2026)*
Mr. Chen Shao-Hsiang (James) *(Chairperson, appointed on June 1, 2026)*
Mrs. Chen Chuang Chuang-Li
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
Ms. Chen I-Chi (Christy) *(Appointed on June 1, 2026)*

AUTHORIZED REPRESENTATIVES

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

COMPANY SECRETARY

Mr. Chan Chung Kik, Lewis

SENIOR ADVISOR

Mr. Chen Teh-Sheng *(appointed on June 1, 2026)*

LEGAL ADVISORS 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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Business Scope

The Group primarily provides container shipping services. Its fleet comprises both self-owned and chartered vessels, with a continued strategic focus on the Asia-Pacific region. The Group's service network covers major trade lanes including Greater China, Greater China – North Asia, Greater China – Southeast Asia, Northeast Asia – Southeast Asia, Asia – Oceania, and Asia – Indian Subcontinent. In addition to Asia-Pacific routes, the Group also operates in markets such as Asia-Mexico, the Middle East, East Africa, and the Red Sea to optimize service coverage and revenue structure.

In the first half of 2026, the global container shipping market continued to be affected by tariff policies, supply chain restructuring, and geopolitical factors. The Group continued to adjust its route network layout and capacity allocation in response to market demand. While maintaining its competitive edge on Asia-Pacific routes, it prudently expanded into semi long-haul and long-haul trades to enhance operational flexibility and diversify risks associated with market volatility.

Business Review

For the six months ended June 30, 2026, the Group's total revenue reached US$660.4 million, representing an increase of 3.0% compared to the same period in 2025; of this, revenue from container shipping services was US$600.6 million, representing an increase of 2.6% compared to the same period in 2025, accounting for 90.9% of total revenue. The Asia-Pacific market remained the Group's primary source of revenue, accounting for 80.6% of revenue from container shipping services.

During the period, the Group's total shipping volume was 810,842 TEU, representing a decrease of 0.9% compared to the same period in 2025, but the overall average revenue per TEU increased from US$715 to US$741, representing an increase of approximately 3.6%. Despite a slight decline in shipping volume, the Group improved average unit revenue through route portfolio adjustment, capacity allocation and revenue management.

Route and Shipping Capacity Development

As of the end of June 2026, the Group operated a total of 47 shipping services (excluding operations involving our chartered vessels), comprising 9 self-operated services, 25 joint-operated services, 11 slot-swap services, and 2 slot-purchasing services. The Group's shipping network covers major trading markets in Asia, calling at around 59 ports in total across 21 countries and regions worldwide.

As of the end of June 2026, the Group operated a total of 47 vessels with an aggregate capacity of 139,743 TEU. During the period, TS KELANG, a new vessel of 7,000 TEU class, was delivered on April 9, 2026, further optimizing the fleet configuration of the Group. The fleet included a total of 35 self-owned vessels providing 88,714 TEU with an average age of approximately 5.2 years; 7 chartered-in vessels providing a total capacity of 19,707 TEU with an average age of approximately 4.7 years; and 5 chartered-out vessels providing a capacity of 31,322 TEU with an average age of approximately 2.2 years. The overall average age of the fleet was approximately 4.8 years.

Overall, the Group maintained a relatively high proportion of self-owned capacity and relied on a relatively young fleet and diversified route cooperation model to support stable service, asset scheduling flexibility and cost control capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue and Shipping Volume

The Asia-Pacific region remained the Group's core operating market. Revenue from related routes during the period was approximately US$484.0 million, representing a decrease of 0.9% compared to the same period in 2025; while shipping volume increased by 2.1% to 752,020 TEU. Although average revenue per TEU in the region declined from US$663 to US$644, revenue in the Greater China and the Asia-Indian Subcontinent market increased by approximately 13.7% and 6.5%, respectively, partially offsetting the impact of revenue declines on regional routes such as Greater China-North Asia, Greater China-Southeast Asia, Northeast Asia-Southeast Asia, and Asia-Oceania.

In the long-haul and semi long-haul trades, following adjustments to the Transpacific route portfolio, relevant revenue during the period primarily came from the Mexican market. Revenue from the Mexico route increased to US$15.7 million from approximately US$5.0 million for the same period in 2025. Revenue from the Middle East market increased by approximately 130.1% to US$77.4 million compared to the same period in 2025; the Red Sea route contributed 7,545 TEU and approximately US$13.0 million in revenue during the period. The performance of these markets reflected the Group's continued prudent adjustment of its route portfolio and its ability to capitalize on market opportunities with revenue potential amid external market volatility.

Summary and Outlook

Overall, in the first half of 2026, the Group achieved revenue growth despite a slight decline in total shipping volume, through restructuring of its route network, capacity allocation, and improvements in unit revenue. The Asia-Pacific market remained the core of the Group's operations, while markets such as Mexico, the Middle East, the Red Sea, and Asia-Indian Subcontinent further strengthened the revenue structure and service coverage.

Looking ahead to the second half of the year, with the delivery of the last new vessel of 7,000 TEU class in this series, the Group will prudently allocate new capacity according to market conditions, and continue to improve efficiency of route operation and flexibility of fleet allocation. The Group will also pay close attention to changes in the global trade environment, tariff policies, geopolitics and safety of major shipping lanes, adjust its service network in a timely manner and control operational risks, so as to steadily promote its overall operation and sustainable development.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

REVENUE

The Group's revenue increased by approximately 3.0% from approximately US$641.4 million for the six months ended June 30, 2025 to approximately US$660.4 million for the six months ended June 30, 2026. This increase primarily reflected the increase in revenue from container shipping services by approximately 2.6% from approximately US$585.6 million for the six months ended June 30, 2025 to approximately US$600.6 million for the six months ended June 30, 2026, which was primarily due to the launch of new Red Sea services that generated approximately US$13.0 million in revenue. The Group's shipping volume slightly decreased from 818,480 TEU for the six months ended June 30, 2025 to 810,842 TEU for the six months ended June 30, 2026.

COST OF SALES

The Group's cost of sales decreased by approximately 4.2% from approximately US$514.3 million for the six months ended June 30, 2025 to approximately US$493.0 million for the six months ended June 30, 2026, which was primarily due to the decrease in Charter hire cost and slot charter hire cost, partially offset by the increase in cost of bunkers.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, the Group's gross profit increased by approximately 31.8% from approximately US$127.1 million for the six months ended June 30, 2025 to approximately US$167.5 million for the six months ended June 30, 2026, and the Group's gross profit margin also increased from 19.8% for the six months ended June 30, 2025 to 25.4% for the six months ended June 30, 2026, which was mainly attributable to the increase in the average freight rates and decrease in slot charter hire cost.

OTHER REVENUE

The Group's other revenue decreased from approximately US$68.6 million for the six months ended June 30, 2025 to approximately US$50.1 million for the six months ended June 30, 2026, primarily due to the decrease in charter hire revenue of vessels from approximately US$58.9 million in first half of 2025 to approximately US$42.4 million in first half of 2026, which mainly reflected the decreased number of vessels the Group chartered out.

OTHER NET INCOME

The Group's other net income increased from approximately US$12.3 million for the six months ended June 30, 2025 to approximately US$36.0 million for the six months ended June 30, 2026. The increase was primarily attributable to the recognition of an approximately US$39.4 million gain from the disposals of two vessels during the Reporting Period, which did not occur in 2025, partially offset by a net foreign exchange loss of approximately US$3.6 million (compared with a net foreign exchange gain of approximately US$12.2 million for the six months ended June 30, 2025).

MANAGEMENT DISCUSSION AND ANALYSIS

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The Group's administrative and other operating expenses were approximately US$18.4 million and US$18.6 million for the six months ended June 30, 2025 and 2026, respectively, and remained relatively stable.

PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

As a result of the aforementioned factors, the profit attributable to equity shareholders of the Company increased significantly by approximately 23.3% from approximately US$188.7 million for the six months ended June 30, 2025 to approximately US$232.6 million for the six months ended June 30, 2026.

OTHER PERFORMANCE INDICATORS

CURRENT RATIO AND QUICK RATIO

The Group's current ratio decreased from 2.8 times as of December 31, 2025 to 1.9 times as of June 30, 2026 and the Group's quick ratio decreased from 2.7 times as of December 31, 2025 to 1.8 times as of June 30, 2026. Such decreases were mainly due to the accrual of 2025 final dividend of approximately US$166.5 million.

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 June 30, 2026, the Group had net current assets of approximately US$344.9 million (December 31, 2025: approximately US$420.2 million) of which cash and cash equivalents were approximately US$559.3 million (December 31, 2025: approximately US$485.7 million) and were denominated in USD, RMB, JPY and HKD.

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

The net proceeds from the Global Offering was applied according to the section headed "Future Plans and Use of Proceeds" of the Prospectus as follows:

Purposes	Net proceeds from the Global Offering US$ million	Approximate % of net proceeds from the Global Offering	Amounts utilized as at June 30, 2026 US$ million	Amounts unutilized as at June 30, 2026 US$ million
Purchase of two new 7,000 TEU vessels ordered in April 2024	63.8	50%	**63.8**	**–**
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%	**127.7**	**–**

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

The Company has fully utilized all of the net proceeds from the Global Offering as at June 30, 2026.

BORROWINGS AND GEARING RATIO

The gearing ratio as at June 30, 2026 was nil (December 31, 2025: nil), which is calculated by dividing the total bank borrowings by the total equity. The Group did not incur any bank borrowings in the first half of 2026 and 2025.

PLEDGE OF ASSETS

The Group had no pledged assets as at June 30, 2026 and December 31, 2025. The Group did not have any banking facilities as at June 30, 2026 and December 31, 2025.

CAPITAL EXPENDITURES AND INVESTMENT

For the six months ended June 30, 2026, the Group's total capital expenditures amounted to approximately US$170.3 million, which was mainly related to the payments for acquisition of vessels and containers and were financed by internal resources. Save as disclosed above, the Group did not make any significant investments during the six months ended June 30, 2026.

CAPITAL COMMITMENT

As at June 30, 2026, the capital commitment for acquisition of property, plant and equipment amounted to approximately US$857.7 million (December 31, 2025: approximately US$837.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at June 30, 2026, 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 six months ended June 30, 2026.

Save as disclosed in the Prospectus, there was no plan authorised by the Board for other material investments or additions of capital assets of the Group as at the date of this interim report.

FINANCIAL INSTRUMENTS

During the six months ended June 30, 2026, 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

The Group had no significant interest-bearing assets other than bank balances and bank deposits as at June 30, 2026. The Group did not hold any financial instruments measured at fair value during the six months ended June 30, 2026. The Group's exposure to interest rate risk is not material.

The Group operates internationally and 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 RMB, JPY, USD, HKD and NTD. The Group did not carry out any hedging activities against foreign currency risk during the six months ended June 30, 2026. Any substantial fluctuation in exchange rate of foreign currencies against USD may have a financial impact to the Group.

EMPLOYEES AND REMUNERATION POLICY

As at June 30, 2026, the Group had 956 employees (June 30, 2025: 972 employees). The total remuneration cost incurred by the Group for the six months ended June 30, 2026 was approximately US$35.0 million (six months ended June 30, 2025: approximately US$35.4 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 mainland China and Taiwan, as required by applicable laws and regulations in mainland China and Taiwan.

CORPORATE GOVERNANCE AND OTHER INFORMATION

OTHER INFORMATION

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

As at June 30, 2026, 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 Ordinary Shares[1]	Approximate Percentage of Shareholding (%)
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
Ms. Christy 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 June 30, 2026, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at June 30, 2026, 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 Ordinary 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
Mr. Chen	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
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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 Wei 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 June 30, 2026, 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 June 30, 2026, 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. James Chen	JC Righteous	Director
	Providence	Director
Mrs. Chen	Search & Search	Director
	Prevalence	Director
Ms. Christy Chen	Avermay	Director
	AM Holding	Director

CORPORATE GOVERNANCE AND OTHER INFORMATION

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES

During the six months ended June 30, 2026, the Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures.

EVENTS AFTER THE REPORTING PERIOD

There have not been any significant events affecting the Group after the Reporting Period.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors since the publication of annual report for the year ended December 31, 2025 are as follows:

Mr. James Chen was appointed as the Chairman, the chairman of the Nomination Committee and the chief executive officer of the Company with effect from June 1, 2026;

Ms. Christy Chen was appointed as an executive Director and a member of the Remuneration Committee with effect from June 1, 2026; and

Mr. Chen resigned as an executive Director, the Chairman, the chairman of the Nomination Committee and the chief executive officer of the Company with effect from June 1, 2026. He was appointed as the senior advisor of the Company with effect from June 1, 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the CG Code as its own code to govern its corporate governance practices. During the six months ended June 30, 2026, 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. James Chen is the Chairman and chief executive officer of the Group. The Board believes that Mr. James 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 AND OTHER INFORMATION

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. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code throughout the six months ended June 30, 2026.

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.

DEBENTURES IN ISSUE

The Company did not have any debentures in issue during the six months ended June 30, 2026.

EQUITY-LINKED AGREEMENT

The Company did not enter into any equity-linked agreements during the six months ended June 30, 2026.

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 six months ended June 30, 2026.

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.

REVIEW OF UNAUDITED INTERIM FINANCIAL REPORT

The unaudited interim financial report for the six months ended June 30, 2026 has been reviewed by the auditor of the Company, KPMG in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants, the report of which is included on page 15.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited consolidated interim financial information for the six months ended June 30, 2026. The Audit Committee is satisfied that the unaudited consolidated financial statements for the six months ended June 30, 2026 have been prepared in accordance with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of US$0.070 (equivalent to HK$0.546 at the exchange rate of US$1: HK$7.8) per Share for the six months ended June 30, 2026 payable to the Shareholders whose names are listed in the register of members of the Company on Friday, September 11, 2026, in an aggregate amount of approximately US$116.6 million. It is expected that the interim dividend will be paid on Friday, October 23, 2026. The interim 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 Tuesday, October 6, 2026.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Tuesday, September 8, 2026 to Friday, September 11, 2026 (both days inclusive) for the purpose of determining the Shareholder's entitlement to the interim dividend. In order to qualify for the interim dividend, 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 Monday, September 7, 2026.

By order of the Board
Mr. Chen Shao-Hsiang
Chairman, executive Director and chief executive officer

Hong Kong, August 24, 2026

REVIEW REPORT OF THE INDEPENDENT AUDITOR INTERIM FINANCIAL REPORT

KPMG

Review report to the board of directors of T.S. Lines Limited
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 16 to 30, which comprises the consolidated statement of financial position of T.S. Lines Limited (the "**Company**") as of June 30, 2026 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
August 24, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – UNAUDITED

For the six months ended June 30, 2026

	Note	**Six months ended June 30, 2026 US$'000**	Six months ended June 30, 2025 US$'000
Revenue	3	**660,436**	641,427
Cost of sales		**(492,933)**	(514,316)
Gross profit		**167,503**	127,111
Other revenue	4	**50,139**	68,576
Other net income	4	**36,019**	12,336
Administrative and other operating expenses		**(18,588)**	(18,372)
Profit from operations		**235,073**	189,651
Finance costs	5(a)	**(2,917)**	(1,261)
Share of profits less losses of associates		**95**	220
Share of profit of a joint venture		**706**	483
Profit before taxation	5	**232,957**	189,093
Income tax expenses	6(a)	**(296)**	(275)
Profit for the period		**232,661**	188,818
Attributable to:			
Equity shareholders of the Company		**232,577**	188,690
Non-controlling interests		**84**	128
Profit for the period		**232,661**	188,818
Earnings per share			
Basic and diluted (US$)	7	**0.140**	0.113
Profit for the period		**232,661**	188,818
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations (with nil tax effect)		**32**	(234)
Total comprehensive income for the period		**232,693**	188,584
Attributable to:			
Equity shareholders of the Company		**232,750**	188,568
Non-controlling interests		**(57)**	16
Total comprehensive income for the period		**232,693**	188,584

The notes on pages 21 to 30 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 12(b).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

At June 30, 2026

	Note	At June 30, 2026 US$'000	At December 31, 2025 US$'000
Non-current assets			
Property, plant and equipment	8	1,652,313	1,569,019
Intangible assets		587	626
Prepayments for the acquisitions of vessels		289,897	230,789
Interests in associates		2,196	1,770
Interest in a joint venture		1,954	1,616
Deferred tax assets		121	123
		1,947,068	1,803,943
Current assets			
Bunkers		28,801	19,854
Contract assets		34,475	11,611
Trade and other receivables	9	104,555	113,939
Cash and cash equivalents	10	559,328	485,686
		727,159	631,090
Non-current assets classified as held for sale		–	24,058
		727,159	655,148
Current liabilities			
Contract liabilities		2,711	2,555
Trade and other payables	11	312,239	180,688
Lease liabilities		62,121	46,396
Tax payable		5,213	5,344
		382,284	234,983
Net current assets		344,875	420,165
Total assets less current liabilities		2,291,943	2,224,108

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED (CONTINUED)

At June 30, 2026

	Note	At June 30, 2026 US$'000	At December 31, 2025 US$'000
Non-current liability			
Lease liabilities		**104,921**	103,276
Net assets		**2,187,022**	2,120,832
Capital and reserves			
Share capital	12(a)	**277,213**	277,213
Reserves		**1,909,701**	1,843,454
Total equity attributable to equity shareholders of the Company		**2,186,914**	2,120,667
Non-controlling interests		**108**	165
Total equity		**2,187,022**	2,120,832

The notes on pages 21 to 30 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

For the six months ended June 30, 2026

	Note	Attributable to equity shareholders to the Company					
	Note	Share capital US$'000	Exchange reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at January 1, 2026		277,213	(26)	1,843,480	2,120,667	165	2,120,832
Profit for the period		–	–	232,577	232,577	84	232,661
Other comprehensive income for the period		–	173	–	173	(141)	32
Total comprehensive income for the period		–	173	232,577	232,750	(57)	232,693
2025 final dividend declared	12(b)	–	–	(166,503)	(166,503)	–	(166,503)
Balance at June 30, 2026		277,213	147	1,909,554	2,186,914	108	2,187,022
Balance at January 1, 2025		277,213	(226)	1,697,721	1,974,708	474	1,975,182
Profit for the period		–	–	188,690	188,690	128	188,818
Other comprehensive income for the period		–	(122)	–	(122)	(112)	(234)
Total comprehensive income for the period		–	(122)	188,690	188,568	16	188,584
2024 final dividend declared	12(b)	–	–	(183,153)	(183,153)	–	(183,153)
Acquisition of additional interests in a subsidiary		–	–	11	11	(90)	(79)
Dividend to non-controlling interests of subsidiaries		–	–	–	–	(210)	(210)
Balance at June 30, 2025		277,213	(348)	1,703,269	1,980,134	190	1,980,324

The notes on pages 21 to 30 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT – UNAUDITED

For the six months ended June 30, 2026

	Note	**Six months ended June 30, 2026 US$'000**	Six months ended June 30, 2025 US$'000
Operating activities			
Cash generated from operations		**216,086**	264,011
Income tax (paid)/refunded		**(425)**	762
Net cash generated from operating activities		**215,661**	264,773
Investing activities			
Payment for the purchases of property, plant and equipment		**(170,344)**	(71,815)
Proceeds from disposals of property, plant and equipment		**63,588**	112
Other cash flows arising from investing activities		**6,601**	10,766
Net cash used in investing activities		**(100,155)**	(60,937)
Financing activities			
Capital element of lease rentals paid		**(38,658)**	(24,157)
Interest element of lease rentals paid		**(2,917)**	(1,261)
Dividend paid to equity shareholders of the Company		**–**	(15,024)
Dividend paid to non-controlling interests of subsidiaries		**–**	(210)
Payment for acquisition of additional interests in a subsidiary		**–**	(79)
Net cash used in financing activities		**(41,575)**	(40,731)
Net increase in cash and cash equivalents		**73,931**	163,105
Cash and cash equivalents at beginning of the period		**485,686**	422,134
Effect of foreign exchange rate changes		**(289)**	562
Cash and cash equivalents at end of the period	10	**559,328**	585,801

The notes on pages 21 to 30 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorized for issue by the board of directors on August 24, 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (together referred to as the "**Group**") since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 15.

The financial information relating to the financial year ended December 31, 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's consolidated financial statements. These amendments do not have a material impact on this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(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.

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

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Provision of container shipping services	**600,590**	585,615
Other container shipping related services	**59,846**	55,812
	660,436	641,427

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 six months ended June 30, 2026 and 2025.

(b) Segment reporting

The segment's operating results are reviewed regularly by the entity's chief operating decision maker 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.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

Geographic information (Continued)

The revenue information by geographical area based on the location of shipping agents handling the shipments is as follows:

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Hong Kong Special Administrative Region ("**HKSAR**")	**23,718**	23,826
Chinese Mainland	**305,989**	278,256
Taiwan	**44,329**	42,176
Philippines	**77,550**	69,651
Japan	**54,382**	55,314
Australia	**22,196**	24,319
Thailand	**22,022**	21,255
Korea	**21,690**	24,807
India	**18,616**	21,982
Vietnam	**25,000**	18,646
Other countries or regions	**44,944**	61,195
	660,436	641,427

4 OTHER REVENUE AND NET INCOME

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Other revenue		
Bank interest income	**6,608**	8,278
Rental income from containers	**1,097**	1,382
Charter hire revenue – vessels	**42,434**	58,916
	50,139	68,576
Other net income		
Gain on disposals of property, plant and equipment	**39,385**	1
Net foreign exchange (loss)/gain	**(3,580)**	12,179
Others	**214**	156
	36,019	12,336

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
(a)	***Finance costs***		
	Interest on lease liabilities	**2,917**	1,261
(b)	***Staff costs***		
	Contributions to defined contribution retirement plan*	**579**	559
	Salaries, wages and other benefits		
	– Administrative and other operating expenses*	**12,284**	12,677
	– Cost of sales	**22,100**	22,125
		34,963	35,361
(c)	***Other items***		
	Auditors' remuneration*	**227**	194
	Depreciation of right-of-use assets	**33,571**	25,020
	Depreciation of property, plant and equipment (other than right-of-use assets)	**43,976**	47,857
	Amortization of intangible assets	**54**	70
	Cost of bunkers consumed	**96,207**	82,863

* Included in "Administrative and other operating expenses"

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

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

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

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Current tax – Outside Hong Kong		
Provision for the period	294	185
Withholding tax on dividend received from an associate	–	70
	294	255
Deferred tax		
Origination and reversal of temporary differences	2	20
	296	275

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries in Hong Kong either did not have any assessable profits subject to Hong Kong Profits Tax during the six months ended June 30, 2026 and 2025 or their unused tax losses were sufficient to cover their estimated assessable profits for these periods.

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

Withholding tax on dividend received from an associate incorporated in India was charged at 5% of the dividend income.

(b) Pillar Two income tax

The Company is subject to the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") published by the Organisation for Economic Co-operation and Development.

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 six months ended June 30, 2026 and 2025 as management assessed that the exposure arising from Pillar Two model rules to be immaterial.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended June 30, 2026 of US$232,577,000 (six months ended June 30, 2025: US$188,690,000) and the weighted average of 1,665,031,000 shares (six months ended June 30, 2025: 1,665,031,000 shares) in issue.

There are no dilutive potential shares in issue during the six months ended June 30, 2026 and 2025.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2026, the Group entered into a number of lease agreements mainly for use of vessels and containers, and therefore recognized additions to right-of-use assets of US$50,099,000 (six months ended June 30, 2025: US$45,013,000).

During the six months ended June 30, 2026, the Group acquired items of property, plant and equipment with an aggregate cost of US$114,234,000 (six months ended June 30, 2025: US$50,770,000), mainly representing vessels and containers (six months ended June 30, 2025: containers). Property, plant and equipment with an aggregate carrying amount of US$24,203,000 were disposed of during the six months ended June 30, 2026 (six months ended June 30, 2025: US$111,000), resulting in a gain on disposals of US$39,385,000 (six months ended June 30, 2025: US$1,000).

9 TRADE AND OTHER RECEIVABLES

At the end of the reporting period, the aging analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At June 30, 2026 US$'000	At December 31, 2025 US$'000
Within 1 month	**90,155**	99,975
Over 1 month to 2 months	**329**	280
Over 2 months to 3 months	**1,232**	14
Over 3 months	**125**	334
	91,841	100,603
Other receivables, prepayments and deposits	**12,714**	13,336
	104,555	113,939

The Group's trade debtors are normally due within 30 days from the date of billing.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand.

As at June 30, 2026, cash at bank of US$9,047,000 (December 31, 2025: US$8,144,000) 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.

11 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the aging analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At June 30, 2026 US$'000	At December 31, 2025 US$'000
Within 1 month	**73,159**	112,715
Over 1 month to 3 months	**47,972**	34,534
Over 3 months	**1,599**	921
	122,730	148,170
Dividend payables (note 12(b))	**166,503**	–
Other payables and accrued charges	**9,296**	19,781
Deposits received	**13,710**	12,737
	312,239	180,688

12 CAPITAL AND DIVIDENDS

(a) Share capital

	No. of shares '000	Amount US$'000
Shares, issued and fully paid:		
At January 1, 2025, June 30, 2025, July 1, 2025, December 31, 2025, January 1, 2026 and June 30, 2026	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 UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

12 CAPITAL AND DIVIDENDS (CONTINUED)

(b) Dividends

(i) Dividend payable to equity shareholders attributable to the interim period:

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Interim dividend declared and paid after the interim period of US$0.070 (2025: nil) per Share	**116,552**	–

The interim dividend has not been recognised as a liability at the end of the reporting period.

(ii) Dividend payable to equity shareholders attributable to the previous financial year, approved during the interim period:

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Final dividend in respect of the previous financial year, approved during the interim period of US$0.100 (six months ended June 30, 2025: US$0.110) per Share	**166,503**	183,153

13 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel emoluments

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Salaries and other short-term employee benefits	**336**	304
Retirement scheme contributions	**8**	6
	344	310

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

13 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with other related parties

	Six months ended June 30, 2026 US$'000	Six months ended June 30, 2025 US$'000
Companies controlled by the controlling shareholders or partially owned by the controlling shareholders with significant influence:		
Commissions paid/payable	**3,052**	4,302
Commissions received/receivable	**290**	287
Freight and handling services income collected on the Group's behalf	**74,130**	84,538
Freight services charge paid/payable and handling services fee paid on the Group's behalf	**25,378**	41,635
Freight and handling services income collected on behalf of the companies controlled by the controlling shareholders	**10,547**	10,419
Freight services charges and handling services paid on behalf of the companies controlled by the controlling shareholders	**3,483**	4,160
Revenue from provision of container shipping services	**2,300**	2,075
Charter hire expenses – vessels	**7,559**	6,314
Rental income from containers	**861**	1,252
Associates:		
Commissions paid/payable	**2,572**	2,389
Freight and handling services income collected on the Group's behalf	**41,400**	44,008
Freight service charge paid/payable and handling services fee paid on the Group's behalf	**18,940**	19,466
Joint venture:		
Commissions paid/payable	**349**	336
Freight and handling services income collected on the Group's behalf	**6,263**	2,885
Freight service charge paid/payable and handling services fee paid on the Group's behalf	**3,643**	2,675

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

14 COMMITMENTS

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

	At June 30, 2026 US$'000	At December 31, 2025 US$'000
Vessels		
Contracted but not provided for	**857,728**	837,212

15 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the board of directors resolved to declare an interim dividend and details of which are disclosed in note 12(b).

GLOSSARY

"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Chairman"	the chairman of the Board
"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
"Director(s)"	the director(s) of the Company
"Global Offering"	as defined in the Prospectus
"Group"	Company and its subsidiaries
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"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), one of the Controlling Shareholders

GLOSSARY

"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), 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 executive Directors and Controlling Shareholders
"Nomination Committee"	the nomination committee of the Company
"Prospectus"	the prospectus issued by the Company dated October 24, 2024
"Reporting Period"	the six months ended June 30, 2026
"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
"Shares"	the ordinary shares of the Company
"Shareholders"	the holders of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transpacific"	Asia – North America
"%"	per cent