T.S. Lines Limited
德翔海運有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 2510)

(1) CONNECTED TRANSACTION – DISPOSAL OF VESSEL AND (2) VESSEL CHARTERING

DISPOSAL OF VESSEL

On January 22, 2026, the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor agreed to sell the Vessel, a container vessel, to the Purchaser for a consideration of US$23,000,000 (equivalent to approximately HK$179,400,000).

VESSEL CHARTERING

On January 22, 2026, TS Singapore (a direct wholly-owned subsidiary of the Company), the Vendor and the Purchaser entered into the Vessel Chartering Agreement for the Vessel Chartering, for a term commencing from January 24, 2026 to March 31, 2026.

LISTING RULES IMPLICATIONS

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

Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the Disposal exceed 0.1% but all of them are less than 5%, the entering into of the Disposal Agreement will constitute a connected transaction of the Company subject to the reporting, annual review and announcement requirements but is exempted from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

DISPOSAL OF VESSEL

The Board announces that on January 22, 2026, the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser in respect of the Disposal.

The material terms of the Disposal Agreement are summarized as follows:

Date:	January 22, 2026
Parties:	(1) the Vendor; and (2) the Purchaser
Vessel to be sold:	TS SHENZHEN, a container vessel owned by the Vendor and registered in Majuro, the Marshall Islands. The Classification Society of the Vessel is Nippon Kaiji Kyokai.
Consideration:	US$23,000,000 (equivalent to approximately HK$179,400,000)
Net asset value of the Vessel:	Approximately US$15,726,000 (equivalent to approximately HK$122,662,800) as of December 31, 2025
Payment terms:	Payment on delivery and within three banking days after a written notice of delivery of the Vessel has been given by the Vendor to the Purchaser in accordance with the Disposal Agreement
Completion and delivery:	January 24, 2026 or as notified by the Vendor to the Purchaser in writing
Gain on disposal:	Subject to final audit, it is expected that the Group will realize a gain on disposal of approximately US$7,274,000 (equivalent to approximately HK$56,737,200), which is calculated as the difference between the consideration for the Disposal and the unaudited net asset value of the Vessel as of December 31, 2025.

Basis for determination of consideration for the Disposal

The consideration for the Disposal was determined after arm's length negotiation between the Purchaser and Vendor with reference to the valuation of the Vessel as at December 30, 2025 as assessed by an independent vessel appraiser using the market method.

In valuing the Vessel, the appraiser has assumed that the Vessel is free of charter commitment and is to be freely transferable.

The Directors believe that such consideration, which was determined after arm's length negotiations, on normal commercial terms, and based on the appraised value of the Vessel, is fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of the Disposal

The Board considers that the Group will realize immediate financial benefits from the Disposal. In addition, the Disposal will have the benefit of enabling the Group to (i) reduce costs associated with ownership of the Vessel including but not limited to crew, insurance and maintenance fees; (ii) optimize its fleet size without compromising its ability to meet future charter demands; and (iii) raise additional funds for the Group to engage in capital expenditures, investment and other strategic ventures.

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

VESSEL CHARTERING

On August 15, 2025, TS Singapore (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Original Vessel Chartering Agreement for the chartering of the Vessel by TS Singapore.

Following the Disposal, on January 22, 2026, TS Singapore, the Vendor and the Purchaser entered into the Vessel Chartering Agreement for the Vessel Chartering, for a term from January 24, 2026 to March 31, 2026.

Pricing policies, historical transaction amounts and annual caps

The Directors estimate that the maximum amount of charter fees payable by TS Singapore to the Purchaser pursuant to the Vessel Chartering Agreement will not exceed US$1,178,100 (equivalent to approximately HK$9,189,180). Such maximum charter fee was determined with reference to the prevailing daily market rate for the comparable type of vessels based on the standard charter hire index published in an industry report for the term of the Vessel Chartering Agreement.

The historical transaction amounts of actual charter fees payable by TS Singapore to the Vendor in respect of the chartering of the Vessel under certain vessel chartering agreements (including the Original Vessel Chartering Agreement) for the year ended December 31, 2025 amounted to approximately US$6,010,200 (equivalent to approximately HK$46,879,560).

The price and terms of the Original Vessel Chartering Agreement and the Vessel Chartering Agreement was determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis and at price and on terms no less favorable to the Company than those offered by Independent Third Parties.

Reasons for and benefits of the Vessel Chartering Agreement

Historically, TS Singapore had been chartering the Vessel from the Vendor under certain vessel chartering agreements (including the Original Vessel Chartering Agreement) since January 2025 such that the Group could cater to the varying market demands in terms of shipping capacity for various trade lanes, and to operate trade lanes with vessels of appropriate capability. In January 2026, the Vessel was disposed by the Vendor to the Purchaser, and the Company considers it beneficial for TS Singapore to continue with such chartering arrangement for transitional purposes to avoid disruption to its normal business operations for the short term of the Vessel Chartering Agreement.

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

INFORMATION ON THE PARTIES

The Company is an Asia Pacific Region focused container shipping company. The Group operates a container shipping network independently and also through arrangements with other carriers including joint services, slot exchange and slot chartering with particular emphasis on the Asia Pacific region. The Group also has a strong focus on and provide frequent services originating from the Greater Bay Area in China.

The Vendor is a company incorporated in the Marshall Islands and a direct wholly-owned subsidiary of the Company. The principal activities of the Vendor is the ownership and chartering of vessels.

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

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

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

LISTING RULES IMPLICATIONS

Each of the Vendor and TS Singapore is a direct wholly-owned subsidiary of the Company.

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

Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the Disposal exceed 0.1% but all of them are less than 5%, the entering into of the Disposal Agreement will constitute a connected transaction of the Company subject to the reporting, annual review and announcement requirements but is exempted from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

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

DEFINITIONS

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

"Board"	the board of directors of the Company
"Chen Family Group"	Mr. Chen Teh-Sheng, Mrs. Chen Chuang Chuang-Li, Mr. Chen Shao-Hsiang and Ms. Chen I-Chi
"Classification Society"	an independent society which certifies that a vessel has been built and maintained in accordance with the rules of such society and in compliance with the applicable rules and regulations of the vessel's flag state and the international conventions of which that flag state is a signatory

"Company"	T.S. Lines Limited (德翔海運有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2510)
"connected person"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to Mr. Chen Teh-Sheng, Mrs. Chen Chuang Chuang-Li, Mr. Chen Shao-Hsiang and Ms. Chen I-Chi in this announcement
"Directors"	the directors of the Company
"Disposal"	the sale of the Vessel by the Vendor to the Purchaser
"Disposal Agreement"	the agreement dated January 22, 2026 between the Vendor and the Purchaser in respect of the Disposal
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Group"	the Company and its subsidiaries
"Independent Third Party(ies)"	person(s) or company(ies) who/which is/are not connected with the Company or its connected persons in accordance with the Listing Rules
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Original Vessel Chartering Agreement"	the vessel charter agreement dated August 15, 2025, as amended and supplemented from time to time, entered into between TS Singapore and the Vendor in respect of the chartering of the Vessel by TS Singapore
"PRC"	the People's Republic of China
"Purchaser"	TEH Shipping Lines Co., Ltd. (德勝航運股份有限公司), a company limited by shares and incorporated in Taiwan and a company owned as to 88.4% by the Chen Family Group, and a connected person of the Company
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"TEU"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
"TS Singapore"	TS Container Lines Pte. Ltd., a company incorporated in Singapore and a direct wholly-owned subsidiary of the Company
"US$"	United States dollar, the lawful currency of the United States
"Vessel"	"TS SHENZHEN", a container vessel built in 2020 with a capacity of 1,081 TEU
"Vessel Chartering"	the chartering of the Vessel by TS Singapore from the Purchaser
"Vessel Chartering Agreement"	the tripartite novation agreement dated January 22, 2026 entered into among TS Singapore, the Vendor and the Purchaser in respect of the Vessel Chartering
"Vendor"	Viscount Shipping Company Limited, a company incorporated in the Marshall Islands and a direct wholly-owned subsidiary of the Company
%	per cent

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

Hong Kong, January 22, 2026

As at the date of this announcement, the Board comprises, (i) Mr. Chen Teh-Sheng, Mr. Chen Shao-Hsiang, Mrs. Chen Chuang Chuang-Li, Mr. To Hung-Lin and Mr. Chow Hong Man as executive directors; and (ii) Mr. Wu Youn-Ger, Mr. Chang Shan-Hui and Mr. Yang Li-Yen as independent non-executive directors.

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