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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF T.S. LINES LIMITED, J.P. MORGAN SECURITIES (FAR EAST) LIMITED AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of T.S. Lines Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-4 to I-70, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2021, 2022 and 2023 and April 30, 2024, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for each of the years ended December 31, 2021, 2022 and 2023 and the four months ended April 30, 2024 (the “**Track Record Periods**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-4 to I-70 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated October 24, 2024 (the “**Prospectus**”) in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants' Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.



Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2021, 2022 and 2023 and April 30, 2024 and of the Group's financial performance and cash flows for the Track Record Periods in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises 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 four months ended April 30, 2023 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our 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" issued by the HKICPA. A review consists of making enquiries, 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. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.



Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 22(c) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Periods.

A handwritten signature in blue ink, appearing to be 'U. Wong', written in a cursive style.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

October 24, 2024



HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms integral part of the accountants' report.

The consolidated financial statements of the Group for the Track Record Periods, on which the Historical Financial Information is based, were audited by KPMG in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in US dollars and all values are rounded to the nearest thousand (US\$'000) except when otherwise indicated.



CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in United States dollars)

	Note	Year ended December 31,			Four months ended	
		April 30,				
		2021	2022	2023	2023	2024
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
						<i>(Unaudited)</i>
Revenue	4	1,837,436	2,443,470	874,602	318,188	318,027
Cost of sales		(905,970)	(1,352,130)	(908,391)	(320,570)	(311,058)
Gross profit/(loss)		931,466	1,091,340	(33,789)	(2,382)	6,969
Other revenue	5	163,212	11,630	12,288	3,627	6,165
Other net income/(loss)	5	1,302	(972)	34,217	13,518	(1,304)
Administrative and other operating expenses		(25,197)	(39,719)	(44,242)	(17,632)	(11,409)
Profit/(loss) from operations		1,070,783	1,062,279	(31,526)	(2,869)	421
Finance costs, net	6(a)	(3,817)	14,618	44,369	18,033	8,978
Share of profits less losses of associates	14	19,320	8,888	995	74	421
Profit before taxation	6	1,086,286	1,085,785	13,838	15,238	9,820
Income tax (expense)/credit	7(a)	(8,605)	(11,278)	6,544	2,645	(8)
Profit for the year/period		<u>1,077,681</u>	<u>1,074,507</u>	<u>20,382</u>	<u>17,883</u>	<u>9,812</u>
Attributable to:						
Equity shareholders of the Company		1,077,730	1,074,541	20,709	17,887	9,443
Non-controlling interests		(49)	(34)	(327)	(4)	369
Profit for the year/period		<u>1,077,681</u>	<u>1,074,507</u>	<u>20,382</u>	<u>17,883</u>	<u>9,812</u>
Earnings per share						
Basic and diluted (US\$)	10	<u>0.770</u>	<u>0.768</u>	<u>0.015</u>	<u>0.013</u>	<u>0.007</u>
Profit for the year/period		<u>1,077,681</u>	<u>1,074,507</u>	<u>20,382</u>	<u>17,883</u>	<u>9,812</u>



Note	Year ended December 31,			Four months ended	
	2021	2022	2023	April 30,	
	US\$'000	US\$'000	US\$'000	2023	2024
				US\$'000	US\$'000
				(Unaudited)	
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations (with nil tax effect)	737	259	209	243	(29)
Share of other comprehensive income of associates (excluding exchange differences on translation of foreign operations) (with nil tax effect)	(558)	–	–	–	–
Reclassification of exchange reserve to profit or loss upon disposal of an associate (with nil tax effect)	–	(1,473)	–	–	–
	<u>179</u>	<u>(1,214)</u>	<u>209</u>	<u>243</u>	<u>(29)</u>
Total comprehensive income for the year/period	<u>1,077,860</u>	<u>1,073,293</u>	<u>20,591</u>	<u>18,126</u>	<u>9,783</u>
Attributable to:					
Equity shareholders of the Company	1,077,725	1,073,421	20,889	18,023	9,239
Non-controlling interests	135	(128)	(298)	103	544
Total comprehensive income for the year/period	<u>1,077,860</u>	<u>1,073,293</u>	<u>20,591</u>	<u>18,126</u>	<u>9,783</u>

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in United States dollars)

	Note	At December 31,			At April 30,
		2021	2022	2023	2024
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Property, plant and equipment	11	998,974	999,458	1,181,249	1,434,291
Intangible assets	12	2	112	801	824
Prepayments for the acquisitions of vessels	16	100,194	174,602	154,194	76,219
Interests in associates	14	21,070	5,457	6,420	6,791
		<u>1,120,240</u>	<u>1,179,629</u>	<u>1,342,664</u>	<u>1,518,125</u>
Current assets					
Bunkers		25,229	25,215	21,717	27,564
Contract assets	16	39,746	11,327	1,559	6,870
Trade and other receivables	16	193,513	104,925	77,465	99,186
Cash and cash equivalents	17	868,087	1,320,129	716,337	484,304
		<u>1,126,575</u>	<u>1,461,596</u>	<u>817,078</u>	<u>617,924</u>
Non-current assets classified as held for sale	15	–	132,137	–	–
		<u>1,126,575</u>	<u>1,593,733</u>	<u>817,078</u>	<u>617,924</u>
Current liabilities					
Contract liabilities	18	5,012	4,784	3,099	3,538
Trade and other payables	18	243,721	217,844	164,136	158,867
Bank borrowings	19	33,234	–	–	–
Lease liabilities	20	106,011	160,681	84,670	64,791
Tax payable	21(a)	8,455	3,754	3,740	3,651
		<u>396,433</u>	<u>387,063</u>	<u>255,645</u>	<u>230,847</u>
Net current assets		<u>730,142</u>	<u>1,206,670</u>	<u>561,433</u>	<u>387,077</u>
Total assets less current liabilities		<u>1,850,382</u>	<u>2,386,299</u>	<u>1,904,097</u>	<u>1,905,202</u>



	Note	At December 31,			At April 30,
		2021	2022	2023	2024
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current liabilities					
Bank borrowings	19	158,553	–	–	–
Lease liabilities	20	244,155	227,964	132,539	123,861
Deferred tax liabilities	21(b)	–	7,368	–	–
		<u>402,708</u>	<u>235,332</u>	<u>132,539</u>	<u>123,861</u>
NET ASSETS		<u><u>1,447,674</u></u>	<u><u>2,150,967</u></u>	<u><u>1,771,558</u></u>	<u><u>1,781,341</u></u>
CAPITAL AND RESERVES					
	22				
Share capital		140,000	140,000	140,000	140,000
Reserves		<u>1,307,084</u>	<u>2,010,505</u>	<u>1,631,394</u>	<u>1,640,633</u>
Total equity attributable to equity shareholders of the Company		1,447,084	2,150,505	1,771,394	1,780,633
Non-controlling interests		<u>590</u>	<u>462</u>	<u>164</u>	<u>708</u>
TOTAL EQUITY		<u><u>1,447,674</u></u>	<u><u>2,150,967</u></u>	<u><u>1,771,558</u></u>	<u><u>1,781,341</u></u>

The accompanying notes form part of the Historical Financial Information.



STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in United States dollars)

	Note	At December 31,			At April 30,
		2021	2022	2023	2024
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Property, plant and equipment	11	464,973	481,197	349,397	317,402
Intangible assets	12	–	111	787	774
Investments in associates	14	9,342	41	41	41
Investments in subsidiaries	13	21,263	21,566	21,594	21,594
		<u>495,578</u>	<u>502,915</u>	<u>371,819</u>	<u>339,811</u>
Current assets					
Bunkers		22,529	20,483	16,991	22,715
Contract assets	16	39,746	11,327	1,559	6,870
Trade and other receivables	16	628,639	505,423	516,500	621,091
Cash and cash equivalents	17	651,539	1,036,989	442,537	277,786
		<u>1,342,453</u>	<u>1,574,222</u>	<u>977,587</u>	<u>928,462</u>
Current liabilities					
Contract liabilities	18	223	211	58	68
Trade and other payables	18	216,264	240,898	130,192	103,606
Bank borrowings	19	5,200	–	–	–
Lease liabilities	20	105,272	159,241	83,521	63,581
Tax payable	21(a)	8,171	2,657	2,751	3,121
		<u>335,130</u>	<u>403,007</u>	<u>216,522</u>	<u>170,376</u>
Net current assets		<u>1,007,323</u>	<u>1,171,215</u>	<u>761,065</u>	<u>758,086</u>
Total assets less current liabilities		<u>1,502,901</u>	<u>1,674,130</u>	<u>1,132,884</u>	<u>1,097,897</u>



	Note	At December 31,			At April 30,
		2021	2022	2023	2024
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current liabilities					
Bank borrowings	19	18,200	–	–	–
Lease liabilities	20	243,138	225,897	131,614	123,112
		<u>261,338</u>	<u>225,897</u>	<u>131,614</u>	<u>123,112</u>
NET ASSETS		<u>1,241,563</u>	<u>1,448,233</u>	<u>1,001,270</u>	<u>974,785</u>
CAPITAL AND RESERVE					
	22				
Share capital		140,000	140,000	140,000	140,000
Retained profits		<u>1,101,563</u>	<u>1,308,233</u>	<u>861,270</u>	<u>834,785</u>
TOTAL EQUITY		<u>1,241,563</u>	<u>1,448,233</u>	<u>1,001,270</u>	<u>974,785</u>

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in United States dollars)

Note	Attributable to equity shareholders of the Company				Non- controlling interests	Total equity
	Share capital	Exchange reserve	Retained profits	Total		
	<i>(note 22(b))</i> US\$'000	<i>(note 22(d))</i> US\$'000	US\$'000	US\$'000		
At January 1, 2021	70,000	(27)	309,841	379,814	455	380,269
Profit for the year	–	–	1,077,730	1,077,730	(49)	1,077,681
Other comprehensive income for the year	–	553	(558)	(5)	184	179
Total comprehensive income for the year	–	553	1,077,172	1,077,725	135	1,077,860
Bonus issue	70,000	–	(70,000)	–	–	–
Interim dividend declared and paid	–	–	(10,455)	(10,455)	–	(10,455)
At December 31, 2021	<u>140,000</u>	<u>526</u>	<u>1,306,558</u>	<u>1,447,084</u>	<u>590</u>	<u>1,447,674</u>
At January 1, 2022	140,000	526	1,306,558	1,447,084	590	1,447,674
Profit for the year	–	–	1,074,541	1,074,541	(34)	1,074,507
Other comprehensive income for the year	–	(1,120)	–	(1,120)	(94)	(1,214)
Total comprehensive income for the year	–	(1,120)	1,074,541	1,073,421	(128)	1,073,293
Interim dividend declared and paid	–	–	(370,000)	(370,000)	–	(370,000)
At December 31, 2022	<u>140,000</u>	<u>(594)</u>	<u>2,011,099</u>	<u>2,150,505</u>	<u>462</u>	<u>2,150,967</u>



**Attributable to equity shareholders
of the Company**

<i>Note</i>	<u>Share capital</u>	<u>Exchange reserve</u>	<u>Retained profits</u>	<u>Total</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
	<i>(note 22(b))</i>	<i>(note 22(d))</i>				
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At January 1, 2023	140,000	(594)	2,011,099	2,150,505	462	2,150,967
Profit for the year	-	-	20,709	20,709	(327)	20,382
Other comprehensive income for the year	-	180	-	180	29	209
Total comprehensive income for the year	-	180	20,709	20,889	(298)	20,591
Interim dividend declared and paid	-	-	(400,000)	(400,000)	-	(400,000)
At December 31, 2023	<u>140,000</u>	<u>(414)</u>	<u>1,631,808</u>	<u>1,771,394</u>	<u>164</u>	<u>1,771,558</u>
At January 1, 2024	140,000	(414)	1,631,808	1,771,394	164	1,771,558
Profit for the period	-	-	9,443	9,443	369	9,812
Other comprehensive income for the period	-	(204)	-	(204)	175	(29)
Total comprehensive income for the period	-	(204)	9,443	9,239	544	9,783
At April 30, 2024	<u>140,000</u>	<u>(618)</u>	<u>1,641,251</u>	<u>1,780,633</u>	<u>708</u>	<u>1,781,341</u>
Unaudited						
At January 1, 2023	140,000	(594)	2,011,099	2,150,505	462	2,150,967
Profit for the period	-	-	17,887	17,887	(4)	17,883
Other comprehensive income for the period	-	136	-	136	107	243



Attributable to equity shareholders
of the Company

	<u>Share</u>	<u>Exchange</u>	<u>Retained</u>		<u>Non-</u>	<u>Total</u>
<i>Note</i>	<u>capital</u>	<u>reserve</u>	<u>profits</u>	<u>Total</u>	<u>controlling</u>	<u>equity</u>
	<i>(note 22(b))</i>	<i>(note 22(d))</i>				
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Total comprehensive income for the period	–	136	17,887	18,023	103	18,126
Interim dividend declared	–	–	(400,000)	(400,000)	–	(400,000)
At April 30, 2023 (unaudited)	<u>140,000</u>	<u>(458)</u>	<u>1,628,986</u>	<u>1,768,528</u>	<u>565</u>	<u>1,769,093</u>

The accompanying notes form part of the Historical Financial Information.



CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in United States dollars)

	Note	Year ended December 31,			Four months ended	
		2021	2022	2023	April 30,	
		US\$'000	US\$'000	US\$'000	2023	2024
						(Unaudited)
Operating activities						
Profit before taxation		1,086,286	1,085,785	13,838	15,238	9,820
Adjustments for:						
Depreciation and amortization	6(c)	123,259	236,881	207,740	70,171	60,077
Impairment loss on property, plant and equipment	5	–	6,105	–	–	–
Gain on disposals of property, plant and equipment	5	(7,342)	(17,803)	(10,152)	(2,346)	(122)
Gain on disposals of non-current assets classified as held for sale	5	–	–	(25,160)	(9,525)	–
Loss on disposal of an associate	5	–	1,473	–	–	–
Share of profits less losses of associates	14	(19,320)	(8,888)	(995)	(74)	(421)
Finance costs	6(a)	4,180	8,564	4,025	1,625	997
Interest income	6(a)	(363)	(23,182)	(48,394)	(19,658)	(9,975)
Foreign exchange loss		1,669	660	497	363	96
Loss on termination of a lease arrangement	5	–	–	3,095	–	–
Operating profit before changes in working capital		1,188,369	1,289,595	144,494	55,794	60,472
Changes in working capital:						
(Increase)/decrease in bunkers		(14,910)	14	3,498	5,609	(5,847)
(Increase)/decrease in trade and other receivables		(61,758)	87,443	27,460	32,360	(22,067)
(Increase)/decrease in contract assets		(26,084)	28,419	9,768	4,196	(5,311)
Increase/(decrease) in trade and other payables		84,617	(22,696)	(53,708)	(23,760)	(3,595)
Increase/(decrease) in contract liabilities		712	(228)	(1,685)	573	439
Cash generated from operations		1,170,946	1,382,547	129,827	74,772	24,091
Income tax paid		(459)	(8,611)	(825)	(844)	(97)
Net cash generated from operating activities		1,170,487	1,373,936	129,002	73,928	23,994



Note	Year ended December 31,			Four months ended	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
					(Unaudited)
Investing activities					
Payment for purchases of property, plant and equipment	(479,036)	(238,515)	(395,745)	(87,880)	(229,457)
Proceeds from disposals of property, plant and equipment	7,394	17,930	20,827	2,368	190
Proceeds from disposals of non-current assets classified as held for sale	–	–	157,297	103,954	–
Payment for purchases of intangible assets	–	(120)	(767)	(17)	(83)
Proceeds from disposal of an associate	–	21,640	–	–	–
Interest income received	363	23,182	48,394	19,658	9,975
Net cash (used in)/generated from investing activities	(471,279)	(175,883)	(169,994)	38,083	(219,375)
Financing activities					
Interest paid	17(b) (1,783)	(2,429)	–	–	–
Capital element of lease rentals paid	17(b) (71,512)	(174,417)	(154,991)	(60,374)	(34,691)
Interest element of lease rentals paid	17(b) (2,397)	(6,135)	(4,025)	(1,625)	(997)
Termination cost paid for a lease arrangement	–	–	(3,852)	–	–
Proceeds from new bank borrowings	17(b) 111,767	–	–	–	–
Repayment of bank borrowings	17(b) (26,821)	(191,787)	–	–	–
Interim dividend paid	(10,455)	(370,000)	(400,000)	–	–
Net cash used in financing activities	(1,201)	(744,768)	(562,868)	(61,999)	(35,688)
Net increase/(decrease) in cash and cash equivalents	698,007	453,285	(603,860)	50,012	(231,069)
Cash and cash equivalents at the beginning of the year/period	175,026	868,087	1,320,129	1,320,129	716,337
Effect of foreign exchange rate changes	(4,946)	(1,243)	68	(134)	(964)
Cash and cash equivalents at the end of the year/period	17(a) 868,087	1,320,129	716,337	1,370,007	484,304

The accompanying notes form part of the Historical Financial Information.



NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in United States dollars unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

T.S. Lines Limited (the “**Company**”) is a private limited company incorporated in Hong Kong on March 2, 2001. Its registered office and principal place of business is at 9/F., C-Bons International Center, 108 Wai Yip Street, Kowloon, Hong Kong.

As at the date of this report, the directors consider the joint controlling parties of the Company to be Mr. Chen Teh-Sheng (together with its immediate family members) and General Sharafuddin Alsayed Mohd HSM Yousif Sharaf.

The principal activities of the Company are provision of container shipping services and investment holding. The Company and its subsidiaries (collectively as “the **Group**”) are principally engaged in provision of container shipping services.

The Historical Financial Information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The accounting policies adopted and set out in note 2 have been applied consistently to all periods presented in the Historical Financial Information.

The HKICPA has issued certain new and revised HKFRSs. For the purpose of preparing and presenting the Historical Financial Information of the Group and the Company for the Track Record Periods, the Group and the Company has consistently applied all applicable HKFRSs throughout the Track Record Periods. The Company has not applied any new or revised standards or interpretations that are issued but not yet effective for the Track Record Periods, which are set out in note 27.

The consolidated financial statements for each of the Track Record Periods comprise the Company and its subsidiaries and the Group’s interests in associates. The measurement basis used in the preparation of Historical Financial Information is set out in note 2(a).

The audited statutory financial statements of the Company for the years ended December 31, 2021, 2022 and 2023 prepared in accordance with HKFRSs issued by the HKICPA were audited by KPMG.

The Historical Financial Information contained in this prospectus does not constitute the Company’s statutory annual financial statements for any of the financial years ended December 31, 2021, 2022 and 2023. 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’s auditors has reported on these financial statements for the years ended December 31, 2021, 2022 and 2023. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis except that, an emphasis was made for the year ended December 31, 2021 on certain prior year adjustments made; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

As the Company was previously a private company, it is not required to deliver financial statements to the Registrar of Companies, and has not done so.

The financial statements of the subsidiaries of the Company for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries and regions in which they were incorporated or established.



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	Date of incorporation/ establishment	Particulars of issued and paid-up capital	Proportion of ownership interest	Principal activities	Note
T.S. Hong Kong Shipping Corp.	The Republic of Panama	April 18, 2007	US\$10,000	100%	Vessel Chartering	(ii)
T.S. Empire Holding Limited	The Republic of Marshall Islands (“Marshall Islands”)	May 22, 2015	US\$50,000	100%	Vessel chartering	(ii)
T.S. Kingdom Holding Limited	Marshall Islands	May 22, 2015	US\$50,000	100%	Vessel chartering	(ii)
Shanghai Desheng Shipping Co., Ltd. (上海德聖船務有限公司)	Mainland China, limited liability company	November 10, 2008	RMB68,333,798	100%	Provision of shipping agency services	(i), (iii) 1
T.S. Lines Korea Co., Ltd.	The Republic of Korea (“Korea”)	October 22, 2010	KRW100,000,000	100%	Provision of shipping agency services	(ii)
T.S. Container Lines Vietnam Company Limited	Vietnam	May 13, 2014	VND 6,678,000,000	100%	Provision of shipping agency services	(iii) 2
T.S. Container Lines Ha Noi Company Limited	Vietnam	October 14, 2016	VND 6,675,000,000	70%	Provision of shipping agency services	(iii) 3
T.S. Dynasty Limited	Hong Kong Special Administrative Region (“HKSAR”)	December 1, 2017	US\$7,500,000	100%	Vessel chartering	(iii) 4
Glory Shipping Company Limited	Marshall Islands	March 26, 2018	US\$50,000	100%	Investment holding	(ii)
T.S. Lines (Japan) Limited	Japan	March 28, 2006	JPY50,000,000	100%	Provision of shipping agency services	(ii)
T.S. Glory Limited	HKSAR	May 8, 2018	US\$50,000	100%	Vessel chartering	(iii) 4
T.S. Majesty Limited	HKSAR	June 7, 2018	US\$50,000	100%	Vessel chartering	(iii) 4
Nobility Shipping Company Ltd	Marshall Islands	August 22, 2019	US\$50,000	100%	Investment holding	(ii)
T.S. Domain Limited	HKSAR	September 11, 2019	US\$50,000	100%	Vessel chartering	(iii) 4
Royalty Shipping Limited	Marshall Islands	November 28, 2019	US\$50,000	100%	Vessel chartering	(ii)



Name of subsidiaries directly held	Place of incorporation/ establishment and business	Date of incorporation/ establishment	Particulars of issued and paid-up capital	Proportion of ownership interest	Principal activities	Note
Dignity Shipping Company Limited	Marshall Islands	September 8, 2020	US\$400,000	100%	Vessel chartering	(ii)
Authority Shipping Company Limited	Marshall Islands	December 2, 2020	US\$600,000	100%	Vessel chartering	(ii)
Primacy Shipping Company Limited	Marshall Islands	December 5, 2020	US\$400,000	100%	Vessel chartering	(ii)
Duk Sang T.S. Lines Co., Ltd.	Korea	August 20, 2007	KRW500,000,000	80%	Provision of shipping agency services	(i), (ii)
Sovereignty Shipping Company Limited	Marshall Islands	March 11, 2021	US\$600,000	100%	Vessel chartering	(ii)
Splendor Shipping Maritime Limited	Marshall Islands	June 18, 2021	US\$100,000	100%	Vessel chartering	(ii)
Abundance Shipping Maritime Limited	Marshall Islands	June 18, 2021	US\$100,000	100%	Vessel chartering	(ii)
Bravery Shipping Maritime Limited	Marshall Islands	June 18, 2021	US\$100,000	100%	Vessel chartering	(ii)
Magnificence Shipping Maritime Limited	Marshall Islands	June 18, 2021	US\$100,000	100%	Vessel chartering	(ii)
T.S. Container Lines (M) Sdn Bhd	Malaysia	February 24, 2005	RM500,000	100%	Provision of shipping agency services	(iii) 5
Count Shipping Company Limited	Marshall Islands	August 15, 2022	US\$50,000	100%	Vessel chartering	(ii)
Dux Shipping Company Limited	Marshall Islands	August 15, 2022	US\$50,000	100%	Vessel chartering	(ii)
Viscount Shipping Company Limited	Marshall Islands	August 15, 2022	US\$50,000	100%	Vessel chartering	(ii)
TSL Container Lines (Philippines) Inc	The Republic of the Philippines	June 3, 2023	PHP11,000,000	64.97%	Provision of shipping agency services	(ii)
TS Container Lines Pte. Ltd.	Singapore	January 4, 2024	US\$100	100%	Provision of shipping agency services	(ii)
TS Marina Bay Pte. Ltd.	Singapore	May 17, 2024	US\$100	100%	Provision of shipping agency services	(ii)



Notes:

- (i) The English translations of these entities are for identification only.
- (ii) As at the date of this report, no statutory financial statements have been prepared for these entities as they were either newly incorporated in 2023 or 2024 or have not carried on any business since the date of incorporation or are investment holding companies and operating companies not subject to statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation.
- (iii)
 - 1. The statutory financial statements of Shanghai Desheng Shipping Co., Ltd. for the years ended December 31, 2021, 2022 and 2023 were audited by Reanda Certified Public Accountants.
 - 2. The statutory financial statements of T.S. Container Lines Vietnam Company Limited for the years ended December 31, 2021, 2022 and 2023 were audited by AFC Vietnam Auditing Co., Ltd..
 - 3. The statutory financial statements of T.S. Container Lines Ha Noi Company Limited for the years ended December 31, 2021, 2022 and 2023 were audited by AFC Vietnam Auditing Co., Ltd – Ha Thanh Branch.
 - 4. The statutory financial statements of these entities for the years ended December 31, 2021, 2022 and 2023 were audited by KPMG:
 - a. T.S. Dynasty Limited
 - b. T.S. Glory Limited
 - c. T.S. Majesty Limited
 - d. T.S. Domain Limited
 - 5. The statutory financial statements of T.S. Container Lines (M) Sdn Bhd for the years ended December 31, 2021, 2022 and 2023 were audited by SCW & Co..

All companies now comprising the Group have adopted December 31 as their financial year end date.

2 MATERIAL ACCOUNTING POLICIES

(a) Basis of measurement and use of estimates and judgment

The measurement basis used in the preparation of the financial statements is the historical cost except that non-current assets classified as held for sales are stated at the lower of carrying amount and fair value less cost to sell (see note 2(t)).

The preparation of Historical Financial Information in conformity with HKFRSs requires management to make judgment, 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 judgment 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.

Judgment made by management in the application of HKFRSs that have material effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.



(b) 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 Historical Financial Information 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 Historical Financial Information. 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. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statements 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 statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the reporting period 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 statements of financial position in accordance with notes 2(l) or 2(m) 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, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognized.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)), unless the investment is classified as held for sale (see note 2(t)).

(c) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the Historical Financial Information 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). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(g)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the reporting period are recognized in profit or loss, the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income are recognized as other comprehensive income of the Group.



When the Group's share of losses exceeds its interest in the associate, 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, after applying the ECL model to such other long-term interests where applicable (see note 2(g)(i)).

Unrealized profits and losses resulting from transactions between the Group and its associates 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.

If an investment in an associate becomes an investment in a joint venture, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognized in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognized at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Company's statements of financial position, an investment in an associate is stated at cost less impairment losses (see note 2(g)), unless the investment is classified as held for sale (see note 2(t)).

(d) 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 2(g)).

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.

(e) 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 2(g)).

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.



(f) Leased assets as a lessee

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.

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 2(d) and 2(g)(ii)).

The initial fair value of 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.

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 statements of financial position and the Company's statements 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.

(g) 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 rates 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.

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 receivables 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 realizing 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.

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.

Basis of calculation of interest income

Interest income recognized in accordance with note 2(q)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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.

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 past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

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.

(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 and associates in the Company's statements 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.



– *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.

(h) 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.

(i) 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 2(j)).

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 2(g)(i)).

(j) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see note 2(q)) 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 2(g)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(i)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 2(q)). 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 2(i)).

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

(k) 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 statements. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(g)(i).

(l) 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.



(m) 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 2(s)).

(n) 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 reporting period 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 1 May 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.

(o) 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/period and any adjustments to the tax payable or receivable in respect of previous years/periods. 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 investment in subsidiaries and associates 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 Organisation for Economic Co-operation and Development.

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.

(p) Provisions, contingent liabilities and onerous contracts

(i) Provisions and contingent liabilities

Provisions are recognized when the Group or the Company 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.

(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.

(q) 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.

Revenue is recognized when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue 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.

(iii) Dividends

Dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established.

(iv) 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 2(g)(i)).

(v) 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.

(r) 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 foreign operations 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 at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

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

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use 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. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or complete.

(t) 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). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

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.

(u) Related parties

- (a) 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.
- (b) 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.
 - (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 (a).
 - (vii) A person identified in (a)(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.

(v) 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.



3 ACCOUNTING JUDGMENT AND ESTIMATES

Note 23 contains information about the assumptions and their risk factors relating to financial instruments. Other significant source of estimation uncertainty are as follows:

(a) Estimated useful lives of vessels

Shipping vessels are depreciated on the straight-line basis over their estimated remaining useful lives, after considering estimated residual values. Significant judgment and estimate are required in determining the useful life of a vessel.

In determining the useful lives of the Group's vessels, the Group considers its business model and asset management policy, the industry practice, and factors like expected usage of each shipping vessel, expected repair and maintenance, and technical or commercial obsolescence arising from changes or improvements in the shipping vessel market. In respect of capitalized drydocking costs included in the cost of shipping vessels, the Group estimates the useful lives of these costs with reference to the expected periods between drydocking cycles of vessels until their next drydocking.

The depreciation charge in future periods will change where the estimated useful life or residual value of a shipping vessel is different from the previous estimate.

(b) Revenue recognition

The Group's revenue arising from provision of shipping container and related services is recognized over time based on the percentage-of-completion of voyage. The method is based on historical trend, and the uncertainty of voyage days will lead to uncertainty in estimation of revenue.

(c) 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.

4 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 1.

(i) Disaggregation of revenue

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

	Year ended December 31,			Four months ended	
	2021	2022	2023	April 30, 2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue from contracts with customers within the scope of HKFRS 15					
Disaggregated by major service lines					
– Provision of container shipping services	1,716,389	2,301,578	801,727	279,865	295,994
– Other container shipping related services	121,047	141,892	72,875	38,323	22,033
	<u>1,837,436</u>	<u>2,443,470</u>	<u>874,602</u>	<u>318,188</u>	<u>318,027</u>



All of the above revenue are recognized over time.

Disaggregation of revenue from contracts with customers by the geographic markets is disclosed in note 4(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, 2021, 2022 and 2023 and four months ended April 30, 2023 and 2024.

(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.

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

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
HKSAR	224,904	185,058	62,419	22,154	21,051
Mainland China	764,213	1,061,583	228,838	71,582	113,790
Taiwan	116,337	152,916	72,771	24,847	26,539
Philippines	141,415	130,892	90,208	35,762	38,442
Japan	216,259	219,531	118,469	46,499	32,607
Australia	74,650	133,840	42,000	17,311	17,396
Thailand	105,285	105,158	46,803	17,118	14,048
Other countries or regions	194,373	454,492	213,094	82,915	54,154
	<u>1,837,436</u>	<u>2,443,470</u>	<u>874,602</u>	<u>318,188</u>	<u>318,027</u>

The Group does not have any remaining performance obligation that has an original expected duration of longer than one year.



5 OTHER REVENUE AND NET INCOME/(LOSS)

	Year ended December 31,			Four months ended	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
Other revenue					
Rental income from containers	14,984	5,770	2,954	1,192	986
Charter hire revenue – vessels	148,228	5,860	9,334	2,435	5,179
	<u>163,212</u>	<u>11,630</u>	<u>12,288</u>	<u>3,627</u>	<u>6,165</u>
Other net income/(loss)					
Gain on disposals of property, plant and equipment	7,342	17,803	10,152	2,346	122
Gain on disposals of non-current assets classified as held for sale <i>(note 15)</i>	–	–	25,160	9,525	–
Impairment loss on property, plant and equipment <i>(note 15)</i>	–	(6,105)	–	–	–
Net foreign exchange (loss)/gain	(6,454)	(12,853)	1,469	1,624	(1,835)
Loss on disposal of an associate	–	(1,473)	–	–	–
Loss on termination of a lease arrangement <i>(note 11(b))</i>	–	–	(3,095)	–	–
Others	414	1,656	531	23	409
	<u>1,302</u>	<u>(972)</u>	<u>34,217</u>	<u>13,518</u>	<u>(1,304)</u>

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Year ended December 31,			Four months ended	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
(a) Finance costs, net					
Bank interest income	(363)	(23,182)	(48,394)	(19,658)	(9,975)
Interest on bank borrowings	1,783	2,429	–	–	–
Interest on lease liabilities <i>(note 11(b))</i>	2,397	6,135	4,025	1,625	997
	<u>3,817</u>	<u>(14,618)</u>	<u>(44,369)</u>	<u>(18,033)</u>	<u>(8,978)</u>



	Year ended December 31,			Four months ended	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
(b) Staff costs					
Contribution to defined contribution retirement plans*	889	1,436	1,759	583	610
Salaries, wages and other benefits					
– Administrative and other operating expenses*	17,097	25,665	28,526	11,683	7,409
– Cost of sales	24,321	36,545	36,219	12,862	13,475
	<u>42,307</u>	<u>63,646</u>	<u>66,504</u>	<u>25,128</u>	<u>21,494</u>
(c) Other items					
Auditors' remuneration*	210	210	212	70	70
Depreciation of right-of-use assets (note 11)	81,609	175,257	152,966	59,435	34,290
Depreciation of property, plant and equipment (other than right-of-use assets) (note 11)	41,648	61,618	54,696	10,709	25,732
Amortization of intangible assets (note 12)	2	6	78	27	55
Cost of bunkers consumed	163,981	312,881	187,742	67,936	61,245
Listing expenses*	–	3,010	4,578	1,952	–
	<u>–</u>	<u>3,010</u>	<u>4,578</u>	<u>1,952</u>	<u>–</u>

* Included in "Administrative and other operating expenses"

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Year ended December 31,			Four months ended	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
Current tax – Hong Kong					
Profits Tax					
Provision for the year/period	8,542	3,754	665	–	–
Current tax – Outside Hong Kong					
Provision for the year/period	<u>63</u>	<u>156</u>	<u>159</u>	<u>2</u>	<u>8</u>



	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Deferred tax					
Origination and reversal of temporary differences	8,605	3,910	824	2	8
	–	7,368	(7,368)	(2,647)	–
	<u>8,605</u>	<u>11,278</u>	<u>(6,544)</u>	<u>(2,645)</u>	<u>8</u>

Provisions for Hong Kong Profits Tax for the years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2023 and 2024 are calculated at 16.5% of the estimated assessable profits for these years/periods.

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 expense/(credit) and accounting profits at applicable tax rates:

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Profit before taxation	<u>1,086,286</u>	<u>1,085,785</u>	<u>13,838</u>	<u>15,238</u>	<u>9,820</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	152,174	98,352	(27,141)	(12,599)	(3,712)
Tax effect of non-taxable income	(294,612)	(395,061)	(157,334)	(53,604)	(52,155)
Tax effect of non-deductible expenses	151,794	306,578	177,034	63,315	55,804
Tax effect of unused tax losses not recognized	–	–	899	130	142
Utilization of tax losses not recognized in previous years	(288)	–	–	(1)	–
Others	(463)	1,409	(2)	114	(71)
	<u>8,605</u>	<u>11,278</u>	<u>(6,544)</u>	<u>(2,645)</u>	<u>8</u>

Non-taxable income mainly represented shipping income not derived from the uplift of goods and shipments embarked in Hong Kong under the specific ship owner tax regime (Section 23B of the Inland Revenue Ordinance) in Hong Kong. Tax effect of non-deductible expense mainly represented expenses incurred not in the production of the Group's assessable profits in Hong Kong.



8 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:

Year ended December 31, 2021

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Mr. Chen Teh-Sheng	–	–	–	–	–
Mrs. Chen Chuang Chuang-Li	–	–	–	–	–
Mr. Chow Hong Man	–	83	77	5	165
Mr. To Hung-Lin	–	–	–	–	–
Mr. Wu Shang-Ying ⁽ⁱ⁾	–	–	–	–	–
	–	83	77	5	165

Year ended December 31, 2022

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Mr. Chen Teh-Sheng	–	–	–	–	–
Mrs. Chen Chuang Chuang-Li	–	39	–	2	41
Mr. Chow Hong Man	–	86	77	5	168
Mr. To Hung-Lin	–	50	–	2	52
Mr. Wu Shang-Ying ⁽ⁱ⁾	–	–	–	–	–
Mr. Chen Shao-Hsiang ⁽ⁱⁱ⁾	–	39	–	2	41
	–	214	77	11	302

Year ended December 31, 2023

	Directors' fee	Salaries allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Mr. Chen Teh-Sheng	–	241	61	–	302
Mrs. Chen Chuang Chuang-Li	–	79	–	3	82
Mr. Chow Hong Man	–	89	26	5	120
Mr. To Hung-Lin	–	104	–	3	107
Mr. Wu Shang-Ying ⁽ⁱ⁾	–	–	–	–	–
Mr. Chen Shao-Hsiang	–	76	–	3	79
	–	589	87	14	690



Four months ended April 30, 2024

	Directors' fee	Salaries allowance and benefit in kind	Discretionary bonuses	Retirement scheme contribution	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Mr. Chen Teh-Sheng	–	80	–	–	80
Mrs. Chen Chuang Chuang-Li	–	33	–	1	34
Mr. Chow Hong Man	–	30	–	1	31
Mr. To Hung-Lin	–	34	–	1	35
Mr. Chen Shao-Hsiang	–	24	–	1	25
	–	201	–	4	205

Four months ended April 30, 2023 (Unaudited)

	Directors' fee	Salaries allowance and benefit in kind	Discretionary bonuses	Retirement scheme contributions	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Mr. Chen Teh-Sheng	–	80	60	–	140
Mrs. Chen Chuang Chuang-Li	–	26	–	1	27
Mr. Chow Hong Man	–	29	19	1	49
Mr. To Hung-Lin	–	34	–	1	35
Mr. Wu Shang-Ying ⁽ⁱ⁾	–	–	–	–	–
Mr. Chen Shao-Hsiang	–	24	–	1	25
	–	193	79	4	276

Notes:

- (i) Mr. Wu Shang-Ying resigned from the director of the Company on February 9, 2023.
- (ii) Mr. Chen Shao-Hsiang was appointed as the director of the Company on September 27, 2022.

During the Track Record Periods, 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 9 below as an inducement to join or upon joining the Company or the Group or as compensation for loss of office. None of the directors has waived any emoluments during the Track Record Periods.



9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments of the Group for the years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2023 and 2024, one, one, three, three and four are directors of the Company, whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
Salaries and other emoluments	198	260	214	71	51
Discretionary bonuses	160	130	42	28	–
Retirement scheme contributions	13	16	9	1	1
	<u>371</u>	<u>406</u>	<u>265</u>	<u>100</u>	<u>52</u>

The emoluments of the individuals with the highest emoluments other than the directors as disclosed in note 8 are within the following band:

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	Number of individuals	Number of individuals	Number of individuals	Number of individuals	Number of individuals
				<i>(Unaudited)</i>	
HK\$Nil – HK\$1,000,000	4	4	1	2	1
HK\$1,000,001 – HK\$1,500,000	–	–	1	–	–
	<u>4</u>	<u>4</u>	<u>2</u>	<u>2</u>	<u>1</u>

10 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 years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2023 and 2024 of US\$1,077,730,000, US\$1,074,541,000, US\$20,709,000, US\$17,887,000 (unaudited) and US\$9,443,000 respectively and 1,400,000,000 ordinary shares in issue as at each reporting period end, as if the 1,400,000,000 shares in existence as of the date of this report existed at the beginning of the Track Record Periods.

There are no potential dilutive ordinary shares in issue during the years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2023 and 2024.



11 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

The Group

	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:								
As at January 1, 2021	300,557	62,399	491	2,472	352	4,190	87,162	457,623
Exchange adjustments	-	-	(11)	(26)	6	(364)	334	(61)
Additions	291,695	109,458	16	64	-	-	390,459	791,692
Disposals	-	(7,340)	(3)	(13)	-	-	(12,439)	(19,795)
As at December 31, 2021	592,252	164,517	493	2,497	358	3,826	465,516	1,229,459
As at January 1, 2022	592,252	164,517	493	2,497	358	3,826	465,516	1,229,459
Exchange adjustments	-	-	(46)	(81)	(18)	(705)	(2,009)	(2,859)
Additions	162,676	601	-	288	56	486	213,263	377,370
Disposals	-	(23,831)	(159)	(65)	(48)	-	(16,326)	(40,429)
Transfer to non-current assets classified as held for sale (note 15)	(187,796)	-	-	(50)	-	-	-	(187,846)
As at December 31, 2022	567,132	141,287	288	2,589	348	3,607	660,444	1,375,695
As at January 1, 2023	567,132	141,287	288	2,589	348	3,607	660,444	1,375,695
Exchange adjustments	-	-	(13)	(31)	(2)	(89)	(452)	(587)
Additions	356,051	59,266	80	375	381	-	-	416,153
Early termination of a lease arrangement	-	-	-	-	-	-	(160,605)	(160,605)
Disposals	(18,596)	(666)	-	(30)	(150)	-	(451)	(19,893)
As at December 31, 2023	904,587	199,887	355	2,903	577	3,518	498,936	1,610,763
As at January 1, 2024	904,587	199,887	355	2,903	577	3,518	498,936	1,610,763
Exchange adjustments	-	-	(20)	(60)	(20)	(250)	(680)	(1,030)
Additions	301,311	5,852	-	28	241	-	6,269	313,701
Disposals	-	(92)	-	(176)	-	-	(22,293)	(22,561)
As at April 30, 2024	1,205,898	205,647	335	2,695	798	3,268	482,232	1,900,873
Accumulated depreciation and accumulated impairment:								
As at January 1, 2021	44,155	41,442	355	2,160	194	390	38,233	126,929
Exchange adjustments	-	-	(4)	(21)	4	(34)	97	42
Depreciation charge for the year	30,872	10,518	60	124	37	37	81,609	123,257
Written-back on disposals	-	(7,290)	(3)	(11)	-	-	(12,439)	(19,743)
As at December 31, 2021	75,027	44,670	408	2,252	235	393	107,500	230,485



	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
As at January 1, 2022	75,027	44,670	408	2,252	235	393	107,500	230,485
Exchange adjustments	-	-	(30)	(63)	(11)	(252)	(861)	(1,217)
Depreciation charge for the year	39,869	21,313	32	89	53	262	175,257	236,875
Written-back on disposals	-	(23,732)	(159)	(37)	(48)	-	(16,326)	(40,302)
Impairment loss (note 15)	6,105	-	-	-	-	-	-	6,105
Transfer to non-current assets classified as held for sale (note 15)	(55,679)	-	-	(30)	-	-	-	(55,709)
As at December 31, 2022	65,322	42,251	251	2,211	229	403	265,570	376,237
As at January 1, 2023	65,322	42,251	251	2,211	229	403	265,570	376,237
Exchange adjustments	-	-	(11)	(28)	(2)	(10)	(211)	(262)
Depreciation charge for the year	29,786	24,562	22	193	102	31	152,966	207,662
Early termination of a lease arrangement	-	-	-	-	-	-	(144,905)	(144,905)
Written-back on disposals	(8,306)	(377)	-	(28)	(56)	-	(451)	(9,218)
As at December 31, 2023	86,802	66,436	262	2,348	273	424	272,969	429,514
As at January 1, 2024	86,802	66,436	262	2,348	273	424	272,969	429,514
Exchange adjustments	-	-	(15)	(39)	(4)	(31)	(372)	(461)
Depreciation charge for the period	15,470	10,172	7	56	16	11	34,290	60,022
Written-back on disposals	-	(47)	-	(153)	-	-	(22,293)	(22,493)
As at April 30, 2024	102,272	76,561	254	2,212	285	404	284,594	466,582
Net book value:								
As at December 31, 2021	517,225	119,847	85	245	123	3,433	358,016	998,974
As at December 31, 2022	501,810	99,036	37	378	119	3,204	394,874	999,458
As at December 31, 2023	817,785	133,451	93	555	304	3,094	225,967	1,181,249
As at April 30, 2024	1,103,626	129,086	81	483	513	2,864	197,638	1,434,291



The Company

	<u>Containers</u>	<u>Furniture and equipment</u>	<u>Motor vehicles</u>	<u>Right-of-use assets</u>	<u>Total</u>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Cost:					
As at January 1, 2021	62,399	1,353	134	66,079	129,965
Additions	109,458	25	–	388,497	497,980
Disposals	(7,340)	(3)	–	(12,439)	(19,782)
As at December 31, 2021	<u>164,517</u>	<u>1,375</u>	<u>134</u>	<u>442,137</u>	<u>608,163</u>
As at January 1, 2022	164,517	1,375	134	442,137	608,163
Additions	601	219	–	210,240	211,060
Disposals	(23,831)	–	–	(14,768)	(38,599)
As at December 31, 2022	<u>141,287</u>	<u>1,594</u>	<u>134</u>	<u>637,609</u>	<u>780,624</u>
As at January 1, 2023	141,287	1,594	134	637,609	780,624
Additions	59,266	29	384	–	59,679
Disposals	(666)	(1)	(89)	(160,605)	(161,361)
As at December 31, 2023	<u>199,887</u>	<u>1,622</u>	<u>429</u>	<u>477,004</u>	<u>678,942</u>
As at January 1, 2024	199,887	1,622	429	477,004	678,942
Additions	5,852	9	131	5,722	11,714
Disposals	(92)	(28)	–	(22,238)	(22,358)
As at April 30, 2024	<u>205,647</u>	<u>1,603</u>	<u>560</u>	<u>460,488</u>	<u>668,298</u>
Accumulated depreciation:					
As at January 1, 2021	41,442	1,339	69	29,522	72,372
Depreciation charge for the year	10,518	14	23	79,992	90,547
Written-back on disposals	(7,290)	–	–	(12,439)	(19,729)
As at December 31, 2021	<u>44,670</u>	<u>1,353</u>	<u>92</u>	<u>97,075</u>	<u>143,190</u>
As at January 1, 2022	44,670	1,353	92	97,075	143,190
Depreciation charge for the year	21,313	13	19	173,392	194,737
Written-back on disposals	(23,732)	–	–	(14,768)	(38,500)
As at December 31, 2022	<u>42,251</u>	<u>1,366</u>	<u>111</u>	<u>255,699</u>	<u>299,427</u>
As at January 1, 2023	42,251	1,366	111	255,699	299,427
Depreciation charge for the year	24,562	62	74	150,712	175,410
Written-back on disposals	(377)	(1)	(9)	(144,905)	(145,292)
As at December 31, 2023	<u>66,436</u>	<u>1,427</u>	<u>176</u>	<u>261,506</u>	<u>329,545</u>



	Containers	Furniture and equipment	Motor vehicles	Right-of-use assets	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
As at January 1, 2024	66,436	1,427	176	261,506	329,545
Depreciation charge for the period	10,172	15	21	33,433	43,641
Written-back on disposals	(47)	(5)	–	(22,238)	(22,290)
As at April 30, 2024	<u>76,561</u>	<u>1,437</u>	<u>197</u>	<u>272,701</u>	<u>350,896</u>
Net book value:					
As at December 31, 2021	<u>119,847</u>	<u>22</u>	<u>42</u>	<u>345,062</u>	<u>464,973</u>
As at December 31, 2022	<u>99,036</u>	<u>228</u>	<u>23</u>	<u>381,910</u>	<u>481,197</u>
As at December 31, 2023	<u>133,451</u>	<u>195</u>	<u>253</u>	<u>215,498</u>	<u>349,397</u>
As at April 30, 2024	<u>129,086</u>	<u>166</u>	<u>363</u>	<u>187,787</u>	<u>317,402</u>

(b) Right-of-use assets

All of the right-of-use assets are carried at depreciated costs.

The Group

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

	<i>Note</i>	At December 31,			At April 30,
		2021	2022	2023	2024
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Ownership interests in leasehold land and buildings held for own use, with remaining lease term of between 10 and 50 years	<i>(i)</i>	17,319	15,398	13,688	13,082
Properties leased for own use	<i>(ii)</i>	1,740	3,437	1,986	1,825
Vessels	<i>(iii)</i>	187,655	197,328	59,079	37,665
Containers	<i>(iii)</i>	151,277	178,679	151,198	145,054
Motor vehicles		25	32	16	12
		<u>358,016</u>	<u>394,874</u>	<u>225,967</u>	<u>197,638</u>

During the years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2024, the Group's additions to right-of-use assets were US\$390,459,000, US\$213,263,000, US\$Nil and US\$6,269,000 respectively. These amounts mainly related to the capitalized lease payments payable under new lease agreements relating to vessels and containers.



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

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Depreciation charge of right-of-use assets by class of underlying asset:					
Ownership interests in leasehold land and buildings, with remaining lease term of between 10 and 50 years	1,329	1,050	1,468	274	410
Properties leased for own use	687	994	1,453	552	595
Vessels	67,944	144,810	122,549	49,344	23,551
Containers	11,596	28,354	27,480	9,259	9,731
Motor vehicles	53	49	16	6	3
	<u>81,609</u>	<u>175,257</u>	<u>152,966</u>	<u>59,435</u>	<u>34,290</u>
Interest on lease liabilities (note 6(a))	2,397	6,135	4,025	1,625	997
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	397	871	1,281	311	266
Expense relating to short-term leases	106,198	139,933	71,067	19,896	30,292
Loss on termination of a lease arrangement (note 5)	-	-	3,095	-	-

The Company

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

Note	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Ownership interests in leasehold land and buildings held for own use, with remaining lease term of between 10 and 50 years	(i) 6,130	5,903	5,221	5,068
Vessels	(iii) 187,655	197,328	59,079	37,665
Containers	(iii) 151,277	178,679	151,198	145,054
	<u>345,062</u>	<u>381,910</u>	<u>215,498</u>	<u>187,787</u>

During the years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2024, the Company's additions to right-of-use assets were US\$388,497,000, US\$210,240,000, US\$Nil and US\$5,722,000, respectively. These amounts mainly related to the capitalized lease payments payable under new lease agreements relating to vessels and containers.



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

The Group and the Company have 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 and the Company lease 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 and the Company seek to include such extension options exercisable by the Group and the Company. 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) **Impairment assessment**

As at December 31, 2023, management of the Group assessed and identified there was an indication of impairment of property, plant and equipment, with a consideration of gross loss results. The recoverable amounts of the property, plant and equipment including vessels and containers had been determined based on value in use calculations, using discounted cash flow method. Based on the result of the assessments, the directors of the Group concluded that the recoverable amounts of the property, plant and equipment were higher than their carrying amounts and no impairment was recognized as at December 31, 2023.

12 INTANGIBLE ASSETS

The Group

	Software
	<i>US\$'000</i>
Cost:	
As at January 1, 2021	34
Exchange adjustments	(2)
	<hr/>
As at December 31, 2021	32

As at January 1, 2022	32
Exchange adjustments	(5)
Additions	120
	<hr/>
As at December 31, 2022	147

As at January 1, 2023	147
Exchange adjustments	(10)
Additions	767
	<hr/>
As at December 31, 2023	904



	Software
	<i>US\$'000</i>
As at January 1, 2024	904
Exchange adjustments	(22)
Additions	83
	<hr/>
As at April 30, 2024	965
	<hr/> <hr/>
Accumulated amortization:	
As at January 1, 2021	30
Exchange adjustments	(2)
Amortization charge for the year	2
	<hr/>
As at December 31, 2021	30
	<hr/> <hr/>
As at January 1, 2022	30
Exchange adjustments	(1)
Amortization charge for the year	6
	<hr/>
As at December 31, 2022	35
	<hr/> <hr/>
As at January 1, 2023	35
Exchange adjustments	(10)
Amortization charge for the year	78
	<hr/>
As at December 31, 2023	103
	<hr/> <hr/>
As at January 1, 2024	103
Exchange adjustments	(17)
Amortization charge for the period	55
	<hr/>
As at April 30, 2024	141
	<hr/> <hr/>
Net book value:	
As at December 31, 2021	2
	<hr/> <hr/>
As at December 31, 2022	112
	<hr/> <hr/>
As at December 31, 2023	801
	<hr/> <hr/>
As at April 30, 2024	824
	<hr/> <hr/>



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

The Company

	Software
	<i>US\$'000</i>
Cost:	
As at January 1, 2021, December 31, 2021 and January 1, 2022	–
Additions	<u>116</u>
As at December 31, 2022	----- 116
As at January 1, 2023	116
Additions	<u>751</u>
As at December 31, 2023	----- 867
As at January 1, 2024	867
Additions	<u>33</u>
As at April 30, 2024	----- 900
Accumulated amortization:	
As at January 1, 2021, December 31, 2021 and January 1, 2022	–
Amortization charge for the year	<u>5</u>
As at December 31, 2022	----- 5
As at January 1, 2023	5
Amortization charge for the year	<u>75</u>
As at December 31, 2023	----- 80
As at January 1, 2024	80
Amortization charge for the period	<u>46</u>
As at April 30, 2024	----- 126
Net book value:	
As at December 31, 2021	----- -----
As at December 31, 2022	<u>111</u>
As at December 31, 2023	<u>787</u>
As at April 30, 2024	<u>774</u>



13 INVESTMENTS IN SUBSIDIARIES

The list of the subsidiaries of the Company as at the date of this report is disclosed in note 1. None of these subsidiaries has a material non-controlling interest to the Group during the Track Record Periods.

14 INTERESTS IN ASSOCIATES

The following list contains the particulars of associates, all of which are unlisted corporate entities whose quoted market price is not available.

The Group and the Company

Name of Company	Place of incorporation/ establishment and operation	Amount of issued and paid-up capital	Proportion of ownership interest				Principal activities
			At December 31, 2021	At December 31, 2022	At December 31, 2023	At April 30, 2024	
T.S. Lines (India) Private Limited	India	INR100,000	40%	40%	40%	40%	Provision of shipping agency services
T.S. Container Lines (Thailand) Co., Ltd.	Thailand	THB6,000,000	49%	49%	49%	49%	Provision of shipping agency services
T.S. Lines UAE L.L.C.	United Arab Emirates	US\$40,274	49%	49%	49%	49%	Provision of shipping agency services
TEH Shipping Lines Co., Ltd. (previously known as T.S. Lines Co., Ltd.) (Note)	Taiwan	NTD300,000,000	44%	Nil	Nil	Nil	Provision of container shipping and management services

Note: During the year ended December 31, 2022, the Group disposed of its equity interest in TEH Shipping Lines Co. Ltd., an associate, at cash consideration of NTD672,192,668 (equivalent to US\$22,602,000) to Mr. Chen Teh-Sheng, a controlling shareholder and director of the Company. The net assets attributable to the Group immediately before this disposal amounted to US\$22,602,000. In addition, exchange reserve of US\$1,473,000 was reclassified to profit or loss and included in "other net loss". Upon the completion of this disposal, the Group ceased to hold any interest in TEH Shipping Lines Co., Ltd..

All of the above associates are accounted for using the equity method in the Historical Financial Information and are not individually material, while the investments in associates in the Company's statements of financial position are stated at cost less any accumulated impairment losses.

Summary financial information on associates

Aggregate information of associates that are not individually material is disclosed below:

The Group

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated statements of financial position	21,070	5,457	6,420	6,791



	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
Aggregate amounts of the Group's share of these associates'					
– Profits less losses from operations	19,320	8,888	995	74	421
– Other comprehensive income	(558)	–	(32)	65	(50)
Total comprehensive income	18,762	8,888	963	139	371

The Group discontinues to recognise further losses on certain associates when the Group's share of losses exceed its interests in these associates. As at December 31, 2021, 2022 and 2023 and April 30, 2024, the Group has not recognized losses totalling US\$217,000, US\$246,000, US\$246,000 and US\$Nil respectively. Among these unrecognized losses, US\$113,000, US\$29,000, US\$Nil and US\$Nil were related to the years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2024, respectively.

15 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended December 31, 2022, the Group committed to a plan to sell certain vessels including related furniture and equipment. 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 together with certain furniture and equipment with aggregate carrying amount of US\$132,137,000 had been classified as non-current assets classified as held for sale at December 31, 2022. Impairment loss of US\$6,105,000 had been recognized prior to this classification as the carrying amounts of certain vessels were lower than the respective fair value less cost to sell.

During the year ended December 31, 2023, these assets were disposed of at aggregate cash considerations of US\$157,297,000, and therefore a gain on disposals of US\$25,160,000 was recognized in profit or loss and included in "other net income".

16 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

The Group

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Trade debtors, net of loss allowance	180,496	84,266	64,143	85,229
Other receivables, prepayments and deposits	13,017	20,659	13,322	13,957
Current portion of trade and other receivables	193,513	104,925	77,465	99,186
Non-current prepayments for the acquisitions of vessels	100,194	174,602	154,194	76,219
	293,707	279,527	231,659	175,405
Contract assets	39,746	11,327	1,559	6,870
	333,453	290,854	233,218	182,275



As at December 31, 2021, 2022 and 2023 and April 30, 2024, the portion of the Group's listing expenses that is of a nature which qualifies for charging against equity upon the listing and has been capitalized as prepayments amounted to US\$Nil, US\$1,003,000, US\$380,000 and US\$1,257,000.

As at December 31, 2021, 2022 and 2023 and April 30, 2024, except for the foregoing and 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\$3,321,000, US\$4,212,000, US\$5,232,000 and US\$5,091,000, respectively.

Aging analysis

As at the end of each of the Track Record Periods, the aging analysis of the Group's trade debtors based on the invoice date and net of loss allowance, is as follows:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 month	172,229	81,980	62,733	82,845
Over 1 month to 2 months	4,788	1,080	611	600
Over 2 months to 3 months	225	82	226	960
Over 3 months	3,254	1,124	573	824
	<u>180,496</u>	<u>84,266</u>	<u>64,143</u>	<u>85,229</u>

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 23(a).

The Company

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Trade debtors, net of loss allowance	256,101	75,639	70,537	80,449
Other receivables, prepayments and deposits	<u>372,538</u>	<u>429,784</u>	<u>445,963</u>	<u>540,642</u>
	628,639	505,423	516,500	621,091
Contract assets	<u>39,746</u>	<u>11,327</u>	<u>1,559</u>	<u>6,870</u>
	<u>668,385</u>	<u>516,750</u>	<u>518,059</u>	<u>627,961</u>

As at December 31, 2021, 2022 and 2023 and April 30, 2024, the portion of the Company's listing expenses that is of a nature which qualifies for charging against equity upon the listing and has been capitalized as prepayments amounted to US\$Nil, US\$1,003,000, US\$380,000 and US\$1,257,000.

As at December 31, 2021, 2022 and 2023 and April 30, 2024, except for the foregoing, included in other receivables, prepayments and deposits which are expected to be recovered or recognized as expenses after more than one year amounted to US\$228,000, US\$202,000, US\$364,000 and US\$351,000, respectively.



Aging analysis

As at the end of each of the Track Record Periods, the aging analysis of the Company's trade debtors based on the invoice date and net of loss allowance, is as follows:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 month	253,824	74,897	69,127	79,499
Over 1 month to 2 months	16	187	611	334
Over 2 months to 3 months	2,258	–	226	–
Over 3 months	3	555	573	616
	<u>256,101</u>	<u>75,639</u>	<u>70,537</u>	<u>80,449</u>

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

17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank and on hand	<u>868,087</u>	<u>1,320,129</u>	<u>716,337</u>	<u>484,304</u>

As at December 31, 2021, 2022 and 2023 and April 30, 2024, cash at bank of US\$43,583,000, US\$7,087,000, US\$7,090,000 and US\$11,441,000 are placed with the banks in Mainland China. The remittance is subject to relevant rules and regulations of foreign exchange control promulgated by Mainland China government.

The Company

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at bank and on hand	<u>651,539</u>	<u>1,036,989</u>	<u>442,537</u>	<u>277,786</u>



(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 consolidated cash flow statements as cash flows from financing activities.

The Group

	Bank borrowings	Lease liabilities	Total
	<i>(Note 19)</i>	<i>(Note 20)</i>	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At January 1, 2021	106,841	31,315	138,156
Changes from financing cash flows:			
Proceeds from new bank borrowings	111,767	–	111,767
Repayment of bank borrowings	(26,821)	–	(26,821)
Capital element of lease rentals paid	–	(71,512)	(71,512)
Interest element of lease rentals paid	–	(2,397)	(2,397)
Interest paid	(1,783)	–	(1,783)
Total changes from financing cash flows	83,163	(73,909)	9,254
Exchange adjustments	–	(96)	(96)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	390,459	390,459
Interest expenses <i>(note 6(a))</i>	1,783	2,397	4,180
Total other changes	1,783	392,856	394,639
At December 31, 2021	191,787	350,166	541,953
At January 1, 2022	191,787	350,166	541,953
Changes from financing cash flows:			
Repayment of bank borrowings	(191,787)	–	(191,787)
Capital element of lease rentals paid	–	(174,417)	(174,417)
Interest element of lease rentals paid	–	(6,135)	(6,135)
Interest paid	(2,429)	–	(2,429)
Total changes from financing cash flows	(194,216)	(180,552)	(374,768)
Exchange adjustments	–	(367)	(367)



	Bank borrowings	Lease liabilities	Total
	<i>(Note 19)</i>	<i>(Note 20)</i>	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	213,263	213,263
Interest expenses <i>(note 6(a))</i>	2,429	6,135	8,564
	<u>2,429</u>	<u>6,135</u>	<u>8,564</u>
Total other changes	2,429	219,398	221,827
	<u>2,429</u>	<u>219,398</u>	<u>221,827</u>
At December 31, 2022	–	388,645	388,645
	<u>–</u>	<u>388,645</u>	<u>388,645</u>
	Bank borrowings	Lease liabilities	Total
	<i>(Note 19)</i>	<i>(Note 20)</i>	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At January 1, 2023	–	388,645	388,645
	<u>–</u>	<u>388,645</u>	<u>388,645</u>
Changes from financing cash flows:			
Capital element of lease rentals paid	–	(154,991)	(154,991)
Interest element of lease rentals paid	–	(4,025)	(4,025)
	<u>–</u>	<u>(4,025)</u>	<u>(4,025)</u>
Total changes from financing cash flows	–	(159,016)	(159,016)
	<u>–</u>	<u>(159,016)</u>	<u>(159,016)</u>
Exchange adjustments	–	12	12
	<u>–</u>	<u>12</u>	<u>12</u>
Other changes:			
Interest expenses <i>(note 6(a))</i>	–	4,025	4,025
Early termination of a lease arrangement	–	(16,457)	(16,457)
	<u>–</u>	<u>(16,457)</u>	<u>(16,457)</u>
Total other changes	–	(12,432)	(12,432)
	<u>–</u>	<u>(12,432)</u>	<u>(12,432)</u>
At December 31, 2023	–	217,209	217,209
	<u>–</u>	<u>217,209</u>	<u>217,209</u>



	Bank borrowings	Lease liabilities	Total
	<i>(Note 19)</i>	<i>(Note 20)</i>	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At January 1, 2024	–	217,209	217,209
Changes from financing cash flows:			
Capital element of lease rentals paid	–	(34,691)	(34,691)
Interest element of lease rentals paid	–	(997)	(997)
Total changes from financing cash flows	–	(35,688)	(35,688)
Exchange adjustments	–	(135)	(135)
Other changes:			
Increase in lease liabilities from entering into new leases during the period	–	6,269	6,269
Interest expenses <i>(Note 6(a))</i>	–	997	997
Total other changes	–	7,266	7,266
At April 30, 2024	–	188,652	188,652
	Bank borrowings	Lease liabilities	Total
	<i>(Note 19)</i>	<i>(Note 20)</i>	
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Unaudited			
At January 1, 2023	–	388,645	388,645
Changes from financing cash flows:			
Capital element of lease rentals paid	–	(60,374)	(60,374)
Interest element of lease rentals paid	–	(1,625)	(1,625)
Total changes from financing cash flows	–	(61,999)	(61,999)
Exchange adjustments	–	(37)	(37)
Other change:			
Interest expenses <i>(note 6(a))</i>	–	1,625	1,625
At April 30, 2023 (unaudited)	–	328,234	328,234



(c) **Total cash outflow for leases**

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

The Group

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	<i>(Unaudited)</i>				
Within operating cash flows	106,595	140,804	72,348	20,207	30,558
Within financing cash flows	73,909	180,552	162,868	61,999	35,688
	<u>180,504</u>	<u>321,356</u>	<u>235,216</u>	<u>82,206</u>	<u>66,246</u>

These amounts relate to the following:

The Group

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	<i>(Unaudited)</i>				
Lease rentals paid	180,504	321,356	231,364	82,206	66,246
Termination costs paid for a lease arrangement	–	–	3,852	–	–
	<u>180,504</u>	<u>321,356</u>	<u>235,216</u>	<u>82,206</u>	<u>66,246</u>

18 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

The Group

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	221,820	189,059	133,238	129,669
Other payables and accrued charges	7,442	9,680	18,432	17,487
Deposits received	10,871	19,105	12,466	11,711
Provision for litigations	3,588	–	–	–
	<u>243,721</u>	<u>217,844</u>	<u>164,136</u>	<u>158,867</u>
Contract liabilities	5,012	4,784	3,099	3,538
	<u>248,733</u>	<u>222,628</u>	<u>167,235</u>	<u>162,405</u>

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 each of the years ended December 31, 2021, 2022, 2023 and April 30, 2024, recognized as revenue in the respective years were US\$4,300,000, US\$5,012,000, US\$4,784,000 and US\$3,099,000, respectively.

As at December 31, 2021, provision for litigations represented the potential legal claim in connection with the potential non-compliance of the then Monopoly Regulation and Fair Trade Act in Korea. The legal claim was fully settled during the year ended December 31, 2022.

Aging analysis

As at the end of each of the Track Record Periods, 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:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 month	143,465	142,480	94,993	92,602
Over 1 month to 3 months	76,828	40,903	36,201	30,638
Over 3 months	1,527	5,676	2,044	6,429
	<u>221,820</u>	<u>189,059</u>	<u>133,238</u>	<u>129,669</u>

The Company

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Trade payables	206,697	192,267	116,121	90,972
Other payables and accrued charges	5,305	39,626	13,745	12,333
Deposits received	674	9,005	326	301
Provision for litigations	3,588	–	–	–
	<u>216,264</u>	<u>240,898</u>	<u>130,192</u>	<u>103,606</u>
Contract liabilities	<u>223</u>	<u>211</u>	<u>58</u>	<u>68</u>
	<u>216,487</u>	<u>241,109</u>	<u>130,250</u>	<u>103,674</u>

All of the Company'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 Company's contract liabilities at the beginning of each of the years ended December 31, 2021, 2022 and 2023 and four months ended April 30, 2024, recognized as revenue was US\$347,000, US\$223,000, US\$211,000 and US\$58,000, respectively.

As at December 31, 2021, provision for litigations represented a potential legal claim in connection with the potential non-compliance of the then Monopoly Regulation and Fair Trade Act in Korea. The legal claim was fully settled during the year ended December 31, 2022.



Aging analysis

As at the end of each of the Track Record Periods, the aging analysis of the Company's trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 month	199,136	138,418	88,758	85,243
Over 1 month to 3 months	6,163	42,126	25,355	4,150
Over 3 months	1,398	11,723	2,008	1,579
	<u>206,697</u>	<u>192,267</u>	<u>116,121</u>	<u>90,972</u>

19 BANK BORROWINGS

The Group

At the end of each of the Track Record Periods, the Group's bank borrowings were secured, guaranteed, and repayable as follows:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 year	33,234	–	–	–
After 1 year but within 2 years	66,468	–	–	–
After 2 years but within 5 years	57,577	–	–	–
More than 5 years	34,508	–	–	–
	<u>158,553</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>191,787</u>	<u>–</u>	<u>–</u>	<u>–</u>

All of the above bank borrowings are guaranteed by Mr. Chen Teh-Sheng, the controlling shareholder and director of the Company. All guarantees have been released by April 2023.

At December 31, 2021, the interest rates of the Group's bank borrowings were in the range of 1.07%–1.33% per annum.

At December 31, 2021 and 2022, the Group's vessels with an aggregate carrying amount of US\$359,641,000 and US\$96,704,000 were pledged to secure the banking facilities amounted to US\$305,938,000 and US\$86,910,000 respectively.

At December 31, 2021, vessels owned by an associate with carrying amount of US\$12,751,000 were pledged for the Group's banking facilities.

At December 31, 2022, vessels owned by a company which is controlled by the controlling shareholder with carrying amount of US\$12,603,000 were pledged for the Group's banking facilities.



All of the Group's banking facilities are subject to the fulfillment of covenants as are commonly found in lending arrangements with financial institutions. If the Group or its subsidiaries were to breach the covenants the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 23(b).

As at December 31, 2021, none of the covenants relating to drawn down facilities had been breached.

The Company

At the end of each of the Track Record Periods, the Company's bank borrowings were secured, guaranteed, and repayable as follows:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 year	5,200	–	–	–
After 1 year but within 2 years	5,200	–	–	–
After 2 years but within 5 years	13,000	–	–	–
	18,200	–	–	–
	23,400	–	–	–

All of the Company's bank borrowings are guaranteed by Mr. Chen Teh-Sheng, the controlling shareholder and director of the Company. All guarantees have been released by April 2023.

At December 31, 2021, the interest rates of the Company's bank borrowings were in the range of 1.07%–1.13% per annum.

All of the Company's banking facilities are subject to the fulfilment of covenants as are commonly found in lending arrangements with financial institutions. If the Company was to breach the covenants the drawn down facilities would become repayable on demand.

As at December 31, 2021, none of the covenants relating to drawn down facilities had been breached.

20 LEASE LIABILITIES

The Group

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of each of the Track Record Periods:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 year	106,011	160,681	84,670	64,791



	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
After 1 year but within 2 years	91,089	94,110	27,023	22,718
After 2 years but within 5 years	88,610	64,532	53,947	55,733
After 5 years	64,456	69,322	51,569	45,410
	244,155	227,964	132,539	123,861
	350,166	388,645	217,209	188,652

The Company

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of each of the Track Record Periods:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Within 1 year	105,272	159,241	83,521	63,581
After 1 year but within 2 years	90,505	92,962	26,289	22,154
After 2 years but within 5 years	88,132	63,685	53,756	55,548
After 5 years	64,501	69,250	51,569	45,410
	243,138	225,897	131,614	123,112
	348,410	385,138	215,135	186,693

21 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

The Group

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Provision for Hong Kong Profits Tax for the year/period	8,542	3,754	665	–
Provisional Profits Tax Paid	(371)	(213)	(1,861)	–
	8,171	3,541	(1,196)	–
Balances of Profits Tax provision relating to prior years	–	–	4,612	3,416
	8,171	3,541	3,416	3,416
Tax payable outside Hong Kong	284	213	324	235
	8,455	3,754	3,740	3,651



The Company

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Provision for Hong Kong Profits Tax for the year/period	8,542	2,870	–	–
Provision Profits Tax Paid	(371)	(213)	(1,861)	–
	8,171	2,657	(1,861)	–
Balance of Profits Tax provision relating to prior years	–	–	4,612	3,121
	8,171	2,657	2,751	3,121

(b) **Deferred tax assets/(liabilities) recognized**

The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during each of the Track Record Periods are as follows:

The Group

	Depreciation less than related depreciation allowances US\$'000	Unused tax losses US\$'000	Total US\$'000
At January 1, 2021	(13,516)	13,516	–
(Charged)/credited to profit or loss	(6,186)	6,186	–
At December 31, 2021	(19,702)	19,702	–
At January 1, 2022	(19,702)	19,702	–
Credited/(charged) to profit or loss	8,487	(15,855)	(7,368)
At December 31, 2022	(11,215)	3,847	(7,368)
At January 1, 2023	(11,215)	3,847	(7,368)
Credited/(charged) to profit or loss	10,459	(3,091)	7,368
At December 31, 2023	(756)	756	–
At January 1, 2024	(756)	756	–
Credited/(charged) to profit or loss	192	(192)	–
At April 30, 2024	(564)	564	–
Unaudited			
At January 1, 2023	(11,215)	3,847	(7,368)
Credited/(charged) to profit or loss	3,175	(528)	2,647
At April 30, 2023 (unaudited)	(8,040)	3,319	(4,721)



(c) **Deferred tax not recognized**

The Group

As at December 31, 2021 and 2022, the Group did not have any unrecognized material temporary differences. As at December 31, 2023 and April 30, 2024, the Group has not recognised deferred tax assets in respect of cumulative tax losses of US\$5,447,000 and US\$7,396,000, respectively as it is uncertain that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction. The tax losses do not expire under current tax legislation.

The Company

As at December 31, 2021 and 2022, the Company did not have any unrecognized material temporary differences. As at December 31, 2023 and April 30, 2024, the Company has not recognised deferred tax assets in respect of cumulative tax losses of US\$5,447,000 and US\$7,396,000, respectively as it is uncertain that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction. The tax losses do not expire under current tax legislation.

22 CAPITAL, RESERVES AND DIVIDENDS

(a) **Components of the Company's capital and reserve**

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity during the Track Record Periods are set out below:

The Company

	Share capital	Retained profits	Total
	<i>(Note 22(b))</i>		
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At January 1, 2021	70,000	292,655	362,655
Profit and total comprehensive income for the year	–	889,363	889,363
Interim dividend declared and paid <i>(Note 22(c))</i>	–	(10,455)	(10,455)
Bonus issue <i>(Note 22(c))</i>	70,000	(70,000)	–
At December 31, 2021 and January 1, 2022	140,000	1,101,563	1,241,563
Profit and total comprehensive income for the year	–	576,670	576,670
Interim dividend declared and paid <i>(Note 22(c))</i>	–	(370,000)	(370,000)
At December 31, 2022 and January 1, 2023	140,000	1,308,233	1,448,233
Loss and total comprehensive income for the year	–	(46,963)	(46,963)
Interim dividend declared and paid <i>(Note 22(c))</i>	–	(400,000)	(400,000)
At December 31, 2023 and January 1, 2024	140,000	861,270	1,001,270
Loss and total comprehensive income for the period	–	(26,485)	(26,485)
At April 30, 2024	<u>140,000</u>	<u>834,785</u>	<u>974,785</u>



(b) Share capital

	<i>No. of share ('000)</i>	<i>US\$'000</i>
Ordinary shares, issued and fully paid		
At January 1, 2021	70,000	70,000
Bonus issue (<i>Note 22(c)</i>)	<u>70,000</u>	<u>70,000</u>
At December 31, 2021, January 1, 2022, December 31, 2022, January 1, 2023, December 31, 2023, January 1, 2024 and April 30, 2024	<u>140,000</u>	<u>140,000</u>

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

The holders of ordinary 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 ordinary shares rank equally with regard to the Company's residual assets.

(c) Dividends

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
Interim dividend declared (US\$'000)	10,455	370,000	400,000	400,000	–
Number of ordinary shares (‘000)	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>
Dividend per ordinary share (US\$ cents)	<u>7.47</u>	<u>264.29</u>	<u>285.71</u>	<u>285.71</u>	<u>–</u>

The Company made a bonus issue on the basis of 1 bonus share for every one existing share which capitalized retained profits of US\$70,000,000 during the year ended December 31, 2021.

During the years ended December 31, 2021, 2022 and 2023 the declared interim dividend of US\$10,455,000, US\$370,000,000 and US\$400,000,000 were paid as at December 31, 2021, 2022 and 2023 respectively. During four months ended April 30, 2023, the declared interim dividend of US\$400,000,000 was not yet paid as at April 30, 2023.

No dividend declared nor paid during the four months ended April 30, 2024.

(d) Nature and purpose of reserve

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 2(r).



(e) **Capital management**

The Group’s and the Company’s primary objective when managing capital is to safeguard the Group’s and the Company’s ability to continue as a going concern, so that the Group and the Company 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 and the Company’s actively and regularly review and manage 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.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

23 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.

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

	At December 31, 2021		
	Expected loss rate	Gross carrying amount	Loss allowance
		<i>US\$'000</i>	<i>US\$'000</i>
Current (not past due)	–*	211,975	–
1 to 30 days past due	–*	4,788	–
31 to 60 days past due	–*	225	–
More than 60 days past due	0.40%	3,267	13
		<u>220,255</u>	<u>13</u>



At December 31, 2022			
	Expected loss rate	Gross carrying amount	Loss allowance
		<i>US\$'000</i>	<i>US\$'000</i>
Current (not past due)	–*	93,307	–
1 to 30 days past due	–*	1,080	–
31 to 60 days past due	–*	82	–
More than 60 days past due	0.35%	1,128	4
		<u>95,597</u>	<u>4</u>

At December 31, 2023			
	Expected loss rate	Gross carrying amount	Loss allowance
		<i>US\$'000</i>	<i>US\$'000</i>
Current (not past due)	–*	64,292	–
1 to 30 days past due	–*	611	–
31 to 60 days past due	–*	226	–
More than 60 days past due	0.35%	575	2
		<u>65,704</u>	<u>2</u>

At April 30, 2024			
	Expected loss rate	Gross carrying amount	Loss allowance
		<i>US\$'000</i>	<i>US\$'000</i>
Current (not past due)	–*	89,118	–
1 to 30 days past due	–*	600	–
31 to 60 days past due	–*	2	–
More than 60 days past due	0.34%	2,387	8
		<u>92,107</u>	<u>8</u>

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.

(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 December 31, 2021, 2022 and 2023 and April 30, 2024, 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, 2021						
Contractual undiscounted cash outflow						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at December 31, 2021
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Trade and other payables	240,133	–	–	–	240,133	240,133
Lease liabilities	109,299	93,325	91,754	66,208	360,586	350,166
Bank borrowings	35,169	69,259	58,969	34,945	198,342	191,787
	<u>384,601</u>	<u>162,584</u>	<u>150,723</u>	<u>101,153</u>	<u>799,061</u>	<u>782,086</u>

At December 31, 2022						
Contractual undiscounted cash outflow						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at December 31, 2022
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Trade and other payables	217,844	–	–	–	217,844	217,844
Lease liabilities	164,784	96,440	68,269	71,005	400,498	388,645
	<u>382,628</u>	<u>96,440</u>	<u>68,269</u>	<u>71,005</u>	<u>618,342</u>	<u>606,489</u>

At December 31, 2023						
Contractual undiscounted cash outflow						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at December 31, 2023
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Trade and other payables	164,136	–	–	–	164,136	164,136
Lease liabilities	86,902	28,535	56,954	52,493	224,884	217,209
	<u>251,038</u>	<u>28,535</u>	<u>56,954</u>	<u>52,493</u>	<u>389,020</u>	<u>381,345</u>

At April 30, 2024						
Contractual undiscounted cash outflow						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at April 30, 2024
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Trade and other payables	158,867	–	–	–	158,867	158,867
Lease liabilities	66,845	24,166	58,558	46,046	195,615	188,652
	<u>225,712</u>	<u>24,166</u>	<u>58,558</u>	<u>46,046</u>	<u>354,482</u>	<u>347,519</u>



(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. The Group's interest rate risk arises primarily from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate 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 December 31, 2021, 2022 and 2023 and April 30, 2024:

	At December 31,				At April 30,			
	2021		2022		2023		2024	
	Effective interest rate		Effective interest rate		Effective interest rate		Effective interest rate	
	%	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000
Fixed rate borrowings:								
Lease liabilities	1.13% – 2.07%	350,166	1.13% – 6.525%	388,645	1.13% – 6.525%	217,209	1.13% – 6.525%	188,652
Variable rate borrowings:								
Bank borrowings	1.07% – 1.33%	191,787	N/A	–	N/A	–	N/A	–
Total borrowings		541,953		388,645		217,209		188,652

(ii) **Sensitivity analysis**

At December 31, 2021, 2022 and 2023 and April 30, 2024, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately US\$959,000, US\$Nil, US\$Nil and US\$Nil respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after taxation and retained profits that would arise assuming that the change in interest rates had occurred at the end of each of the Track Record Periods. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of each of the Track Record Periods, the impact on the Group's profit after taxation is estimated as an annualized impact on interest expense of such a change in interest rates.

(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 ("USD") and New Taiwan dollars (NTD).

(i) **Exposure to currency risk**

The following table details the Group's exposure at the end of each of the Track Record Periods 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 each of the Track Record Periods.



Exposure to foreign currencies as at December 31, 2021
(expressed in United States dollars)

	<i>RMB</i> <i>US\$'000</i>	<i>JPY</i> <i>US\$'000</i>	<i>USD</i> <i>US\$'000</i>	<i>NTD</i> <i>US\$'000</i>
Trade and other receivables	28,139	27,952	78,891	20,377
Cash and cash equivalents	4,669	39,555	41,119	–
Trade and other payables	<u>(4,264)</u>	<u>(1,395)</u>	<u>(116,711)</u>	<u>(1,250)</u>
Net exposure arising from recognized assets and liabilities	<u>28,544</u>	<u>66,112</u>	<u>3,299</u>	<u>19,127</u>

Exposure to foreign currencies as at December 31, 2022
(expressed in United States dollars)

	<i>RMB</i> <i>US\$'000</i>	<i>JPY</i> <i>US\$'000</i>	<i>USD</i> <i>US\$'000</i>	<i>NTD</i> <i>US\$'000</i>
Trade and other receivables	27,179	34,207	16,652	4,145
Cash and cash equivalents	436	4,017	5,630	–
Trade and other payables	<u>(3)</u>	<u>–</u>	<u>(22,008)</u>	<u>–</u>
Net exposure arising from recognized assets and liabilities	<u>27,612</u>	<u>38,224</u>	<u>274</u>	<u>4,145</u>

Exposure to foreign currencies as at December 31, 2023
(expressed in United States dollars)

	<i>RMB</i> <i>US\$'000</i>	<i>JPY</i> <i>US\$'000</i>	<i>USD</i> <i>US\$'000</i>	<i>NTD</i> <i>US\$'000</i>
Trade and other receivables	9,967	1,785	13,902	3,992
Cash and cash equivalents	7,274	12,956	5,138	–
Trade and other payables	<u>(3)</u>	<u>–</u>	<u>(20,332)</u>	<u>–</u>
Net exposure arising from recognized assets and liabilities	<u>17,238</u>	<u>14,741</u>	<u>(1,292)</u>	<u>3,992</u>

Exposure to foreign currencies as at April 30, 2024
(expressed in United States dollars)

	<i>RMB</i> <i>US\$'000</i>	<i>JPY</i> <i>US\$'000</i>	<i>USD</i> <i>US\$'000</i>	<i>NTD</i> <i>US\$'000</i>
Trade and other receivables	7,851	4,882	28,047	–
Cash and cash equivalents	32	27,600	11,456	–
Trade and other payables	<u>–</u>	<u>(6,223)</u>	<u>(16,531)</u>	<u>–</u>
	<u>7,883</u>	<u>26,259</u>	<u>22,972</u>	<u>–</u>



(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 each of the Track Record Periods had changed at that date, assuming all other risk variables remained constant.

	At December 31, 2021		At December 31, 2022		At December 31, 2023		At April 30, 2024	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after taxation and retained profits						
	US\$'000		US\$'000		US\$'000		US\$'000	
RMB	5%	1,427	5%	1,381	5%	862	5%	394
	(5%)	(1,427)	(5%)	(1,381)	(5%)	(862)	(5%)	(394)
JPY	5%	3,306	5%	1,911	5%	737	5%	1,313
	(5%)	(3,306)	(5%)	(1,911)	(5%)	(737)	(5%)	(1,313)
USD	5%	165	5%	14	5%	(65)	5%	1,149
	(5%)	(165)	(5%)	(14)	(5%)	65	(5%)	(1,149)
NTD	5%	956	5%	207	5%	200	5%	-
	(5%)	(956)	(5%)	(207)	(5%)	(200)	(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 each of the end of the Track Record Periods 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 each of the Track Record Periods. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(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, 2021, 2022 and 2023 and April 30, 2024.



24 MATERIAL RELATED PARTY TRANSACTIONS

Material related party transactions

During the Track Record Periods, the directors are of the view that the following companies are related parties of the Group:

Name of Party	Relationship
T.S. Lines (India) Private Limited	Associate
T.S. Container Line (Thailand) Company Limited	Associate
T. S. Lines UAE L.L.C.	Associate
TEH Shipping Lines Co., Ltd. (previously known as T.S. Lines Co., Ltd)	Note (i)
T.S. Shipping Agency Co., Ltd.	Company controlled by the controlling shareholder
Chinatop Logistics (Shenzhen) Co., Ltd.	Note (ii)
Sharaf Shipping Agency (Pvt) Ltd.	Company controlled by the controlling shareholder
Sharaf Shipping Agency (T) Ltd.	Company controlled by the controlling shareholder
Diamond Shipping Services (Pvt) Ltd.	Company controlled by the controlling shareholder
Waterfront Maritime Service DMCC	Company controlled by the controlling shareholder
Cross Strait Holding Limited	Company controlled by the controlling shareholder
Kent Shipping Co., Ltd.	Company controlled by a shareholder
United Logistics International Co., Ltd.	Company controlled by a shareholder
Information Dynamic LLC	Company controlled by the controlling shareholder

Note (i): TEH Shipping Lines Co., Ltd. was previously an associate of the Group and has become a company controlled by the controlling shareholder of the Company upon the disposal of this associate during the year ended December 31, 2022.

Note (ii): Chinatop Logistics (Shenzhen) Co., Ltd. was previously controlled by the controlling shareholder, and has become a related company in which the controlling shareholder has a significant influence since the year ended December 31, 2022, after the disposal of certain equity interest in this entity by the controlling shareholder of the Company.

(a) Key management personnel emoluments

All members of key management personnel are the directors of the Group and their emoluments are disclosed in note 8.

(b) Transactions with related parties

	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)				
Companies controlled by the controlling shareholders or partially owned by the controlling shareholders with significant influence:					
- Commissions paid/payable	11,419	16,660	6,055	2,122	1,928
- Commissions received/receivable	-	360	773	202	197
- Freight and handling services income collected on the Group's behalf	245,807	293,380	117,543	43,952	41,499
- Freight service charge paid/payable and handling services fee paid on the Group's behalf	62,162	134,920	56,830	48,792	19,088
- Freight and handling services income collected on behalf of the companies controlled by the controlling shareholders	-	-	16,410	6,133	4,027
- Freight services charges and handling services paid on behalf of the companies controlled by the controlling shareholders	-	-	7,669	2,721	2,555
- Revenue from provision of container shipping services	-	4,096	4,120	2,137	859
- Charter hire expenses – vessels	-	10,301	15,555	4,800	4,840
- Rental income from containers	-	1,511	2,625	919	898
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>



	Year ended December 31,			Four months ended April 30,	
	2021	2022	2023	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
				<i>(Unaudited)</i>	
Associates:					
– Commissions paid/payable	5,556	5,069	4,176	2,191	804
– Commissions received/receivable	2,112	574	–	–	–
– Freight and handling services income collected on the Group's behalf	152,278	164,163	81,601	29,395	27,310
– Freight service charge paid/payable and handling services fee paid on the Group's behalf	51,270	32,204	36,343	12,933	12,552
– Freight and handling services income collected on the associates' behalf	285,788	40,548	–	–	–
– Freight services charges and handling services fee paid on the associates' behalf	38,001	8,431	–	–	–
– Revenue from provision of container shipping services	25,649	10,379	–	–	–
– Charter hire revenue – vessels	138,564	4,650	–	–	–
– Charter hire expenses – vessels	8,733	12,877	–	–	–
– Rental income from containers	14,817	3,915	–	–	–

All of the above related party transactions were made according to the mutually agreed pricing.

(c) **Related party balances**

The Group

	Note	At December 31,			At April 30,
		2021	2022	2023	2024
		US\$'000	US\$'000	US\$'000	US\$'000
Trade-related					
Amounts due from associates	(i)	33,334	1,295	2,575	7,631
Amounts due from related companies	(ii)	34,400	14,479	15,049	18,316
		<u>67,734</u>	<u>15,774</u>	<u>17,624</u>	<u>25,947</u>
Non-trade related					
Amounts due from shareholders of the Company	(iii)	<u>5,056</u>	<u>–</u>	<u>–</u>	<u>–</u>
Trade-related					
Amounts due to associates	(iv)	<u>58,357</u>	<u>3,802</u>	<u>–</u>	<u>4,602</u>
Non-trade related					
Dividend payable to a shareholder of the Company	(v)	<u>–</u>	<u>250</u>	<u>8,585</u>	<u>8,585</u>

Notes:

- (i) The amounts due from the Group's associates 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 amounts due from the shareholders of the Company are unsecured, interest-free and recoverable on demand.
- (iv) The amounts due to the Group's associates are unsecured, interest-free and due within 30 days from the date of billing.
- (v) The dividend payable to a shareholder of the Company has no fixed terms of repayment. The settlement of dividend payable of US\$8,585,000 as at December 31, 2023 and April 30, 2024 was still conditional upon adjudication of by the court that Mr. Wu Shang-Ying to be the beneficial owner of the Company.

The Company

	Note	At December 31,			At April 30,
		2021	2022	2023	2024
		US\$'000	US\$'000	US\$'000	US\$'000
Trade-related					
Amounts due from subsidiaries	(vi)	105,771	26,748	27,055	33,069
Amounts due from associates	(vii)	33,334	1,295	2,575	7,631
Amounts due from related companies	(viii)	34,400	14,479	15,049	18,316
		<u>173,505</u>	<u>42,522</u>	<u>44,679</u>	<u>59,016</u>
Non-trade related					
Amounts due from shareholders of the Company	(ix)	5,056	–	–	–
Amounts due from subsidiaries	(x)	364,661	371,361	437,504	535,061
		<u>369,717</u>	<u>371,361</u>	<u>437,504</u>	<u>535,061</u>
Trade-related					
Amounts due to subsidiaries	(xi)	50,142	57,328	21,107	26,919
Amounts due to associates	(xii)	58,357	3,802	–	–
		<u>108,499</u>	<u>61,130</u>	<u>21,107</u>	<u>26,919</u>
Non-trade related					
Dividend payable to a shareholder of the Company	(xiii)	–	250	8,585	8,585

- (vi) The amounts due from the Company's subsidiaries are unsecured, interest-free and due within 30 days from the date of billing.
- (vii) The amounts due from the Company's associates are unsecured, interest-free and due within 30 days from the date of billing.
- (viii) 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.
- (ix) The amounts due from the shareholders of the Company are unsecured, interest-free and recoverable on demand.
- (x) The amounts due from the Company's subsidiaries are unsecured, interest-free and due within 30 days from the date of billing.
- (xi) The amounts due to the Company's subsidiaries are unsecured, interest-free and due within 30 days from the date of billing.
- (xii) The amounts due to the Company's associates are unsecured, interest-free and due within 30 days from the date of billing.
- (xiii) The dividend payable to a shareholder of the Company has no fixed terms of payment. The settlement of dividend payable of US\$8,585,000 as at December 31, 2023 and April 30, 2024 was still conditional upon adjudication of by the court that Mr. Wu Shang-Ying to be the beneficial owner of the Company.



25 COMMITMENTS

Capital commitments outstanding at the end of each of the Track Record Periods not provided for in the Historical Financial Information were as follows:

	At December 31,			At April 30,
	2021	2022	2023	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Vessels				
Contracted but not provided for	913,546	685,138	361,520	151,180

26 CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at December 31, 2021, 2022 and 2023 and April 30, 2024.

27 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE DURING THE TRACK RECORD PERIODS

Up to the date of issue of this Historical Financial Information, the HKICPA has issued a number of new or revised standards, which are not yet effective during the Track Record Periods and which have not been adopted in the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates:</i> <i>Lack of exchangeability</i>	1 January 2025
HKFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

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.

28 EVENTS AFTER THE TRACK RECORD PERIODS

- 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 based on the shareholders' agreement.
- In October 2024, the Company declared a special interim dividend totaling US\$300,000,000 which will be settled before the listing of the Company.
- 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.

29 SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to April 30, 2024.