This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [**REDACTED**]***. There are risks associated with any investment. Some of the particular risks in investing in the*** [**REDACTED**] ***are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the*** [**REDACTED**]**.**

OVERVIEW

We are a fast-growing and one of the most profitable Asia Pacific Region focused container shipping companies. We primarily operate in the Asia Pacific Region, which is the largest and one of the fastest growing regions both in terms of shipping volume, according to the Drewry Report. We ranked 20th in terms of fleet size among the container shipping companies globally as of March 1, 2023. We generated the highest average net profit margin and the highest average return on equity ("**ROE**") from 2020 to 2022, when compared with the three publicly listed Asia Pacific Region focused container shipping companies. We have also consistently generated net operating cash inflows over the past nine years across several shipping industry cycles.

As of December 31, 2022, our container shipping network covered a total of 24 countries and regions, 63 major ports and 42 services globally. In the Asia Pacific Region, we operated 37 services covering 15 countries and regions, as of December 31, 2022. Within the Asia Pacific Region, we have a strong focus on and provide frequent services originating from the Greater Bay Area in China, where we have had a presence for two decades. For example, we were a top three player providing frequent services in terms of the number of services in February 2023 in each of the trade lanes from the Greater Bay Area to Japan, the Philippines and Oceania, respectively, according to the Drewry Report. In addition, we were also a top three player providing extensive port coverage in terms of the number of port calls per week in February 2023 in each of the trade lanes from the Greater Bay Area to Japan and Oceania, respectively. We believe that our frequent services provide our customers with greater flexibility to manage their logistics needs and stronger capability to achieve faster inventory turnover. We have established a long-term presence in the Greater Bay Area, which we view as instrumental to our future development in the Asia Pacific Region and in which we also see significant opportunities for sustained profitable growth in the future. The Greater Bay Area is one of the world largest economic blocks encompassing nine cities in Guangdong as well as the Hong Kong and Macau Special Administrative regions, with a combined GDP of US$1.9 trillion in 2021, according to Hong Kong Trade Development Council. It is also a strong high value-added exports area and has increasing trade links with the rest of Asia.

We operate our shipping network independently by ourselves and also through arrangements with other carriers including joint services, slot exchange and slot chartering. Through joint services, we and other carriers each designates a specific number of vessels to jointly provide shipping services for specific trade lanes; while through slot chartering and slot exchange, we may use and pay for a certain amount of space or exchange slots on a vessel of another carrier.

Moreover, in recent years we also expanded our network by launching several new long-haul services, including one independent service launched in July 2021 (subsequently changed to a joint service in March 2022) and another independent service launched in January 2022 in the Asia – Australia/New Zealand market. We believe these services complement our core service offering, enable us to provide greater diversity of services to our customers, and represent great opportunities for business expansion. As of December 31, 2022, we operated 12 independent services, 19 joint services, 10 services through slot exchange arrangements and one service through slot chartering arrangements.

From 2020 to 2022, we generated an average net profit margin of 41.8% and an average ROE of 80.4%, when compared with average net profit margins ranging from of 31.7% to 35.7% and average ROE ranging from 62.8% to 75.0% recorded by the three listed Asia focused shipping companies. We also consistently generated net operating cash inflow for nine consecutive years up to and including 2022, despite the cyclical nature of the shipping industry. This demonstrates our ability to achieve significant profitability, while being able to maintain net operating cash inflows during industry downcycles.

We experienced significant growth of our financial performance during the Track Record Period. For the years ended December 31, 2020, 2021 and 2022, we generated revenue of US$810.4 million, US$1,837.4 million and US$2,443.5 million, with gross profit margin of 23.7%, 50.7% and 44.7%, respectively.

Our strong financial performance during the Track Record Period was mainly benefited from the market freight rate which increased from mid-2020 and peaked in September 2021 but has begun and continued to fall. The fluctuation of the market freight rate since 2020 was mainly due to port congestions and container equipment shortage. According to the Container Forecaster published by Drewry in the first quarter of 2023, the global average freight rate (referring to the weighted average freight rate, inclusive of fuel charges, covering both spot and contract markets) in 2023 and 2024 is forecasted to decrease by 59.8% and 65.3%, respectively, compared to that in 2022, but remained 29.0% and 11.3%, respectively, higher than that in 2019. Historically, the freight rate fluctuation was due to the volatile and cyclical nature of the container shipping industry. For more details on the risks we face in relation to market volatility and economic downturn, see "Risk Factors – Risks relating to our business and industry – The volatile and cyclical nature of the global container shipping industry could have a material and adverse effect on our business and results of operations."

OUR BUSINESS MODEL

We are engaged in the provision of container shipping services with our fleet of vessels consisting of both owned vessels and chartered-in vessels. We operate our shipping network independently by ourselves and also through arrangements with other carriers including joint services, slot exchange and slot chartering.

We mainly contract with freight forwarders acting on behalf of BCO customers, namely, consignors, and to a lesser extent, we directly contract with BCO customers, to transport containerized cargos pursuant to their instructions. Our container shipping services primarily include transporting containers from origin ports to destination ports within our shipping network.

Our operating model

We operate scheduled shipping services through designated ports in rotation, which we refer to as a liner service model. We believe we dedicate a stable core of shipping capacity to our key services originating from the Greater Bay Area, while allocating the rest of our shipping capacity to other regions. We have developed a flexible shipping capacity allocation mechanism that allows us to quickly adjust our regular liner services in response to changes in market demand, freight rates and operating conditions. We achieve this by adjusting the ports we call at in our services or by reallocating shipping capacity among our service network. This mechanism has enabled us to enhance utilization and maximize profitability, by quickly reallocating shipping capacity. We believe this is one of the key reasons for maintaining our strong profitability in general and sustained net operating cash inflow for consecutive nine years from 2014 to 2022.

Our flexible fleet

Our flexible fleet also contributes to our operating model. As of December 31, 2022, we had a total of 50 vessels, consisting of 31 owned vessels and 19 chartered-in vessels, with a total capacity of 109,947 TEU. The majority of our fleet consists of small sized vessels each with capacity of less than 2,000 TEU, which are able to access most ports in the Asia Pacific Region and are therefore more versatile in deployment than larger vessels. We seek to maintain an optimum balance between owned vessels and short-term (one year or less) leased vessels, which affords us greater flexibility to adjust our vessel mix and quickly adjust shipping capacity based on market conditions in order to maximize profitability or better address adverse market conditions. The utilization rate (calculated as the number of days which the vessels are in operation, as a percentage of the total number of days each period) of our owned vessels and chartered-in vessels were approximately 100% during the Track Record Period.

As of the Latest Practicable Date, we have ordered 19 vessels including 13 vessels each ranging from 1,100 to 2,900 TEU and six 7,000 TEU vessels, which are expected to be delivered between May 2023 and November 2024. The vessels we have ordered are expected to be flexible in deployment across multiple trade lanes. We adhere to a disciplined approach to ordering new vessels and purchasing used vessels because we generally order or purchase vessels when we believe vessel prices are relatively low, where we perceive vessel prices are either at or close to the bottom of market price or at the early stage of an up-trending market. The purchase prices of our newbuildings and used vessels were generally in line with or lower than the average market prices for comparable vessels at the time of our purchase, as confirmed by our industry consultant, Drewry. We believe this approach confers a significant cost advantage to us in the long run.

The following table sets forth the number and capacity of our owned and chartered-in vessels, as of the dates indicated:

	As of December 31,								
	2020			2021			2022		
	Number of vessels	*Capacity TEU*	*% of total capacity %*	*Number of vessels*	*Capacity TEU*	*% of total capacity %*	*Number of vessels*	*Capacity TEU*	*% of total capacity %*
Owned vessels	14	27,833	39.0	25	63,503	64.8	31	75,720	68.9
Chartered-in vessels	23	43,479	61.0	25	34,442	35.2	19	34,227	31.1
– long-term	7	16,434	23.0	11	17,622	18.0	14	29,016	26.4
– short-term	16	27,045	37.9	14	16,820	17.2	5	5,211	4.7
Total	37	71,312	100.0	50	97,945	100.0	50	109,947	100.0

Our markets

During the Track Record Period, our container shipping network mainly consisted of the Asia Pacific Region, the Transpacific market and the Asia – Europe market. The Asia Pacific Region can be further divided into six sub-markets: the Greater China – North Asia, the Greater China – Southeast Asia, the Greater China, the North Asia and Southeast Asia, the Asia – Australia/New Zealand and the Asia – Indian Subcontinent markets. The following table sets forth our revenue generated from container shipping services and the corresponding percentages by market for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	US$'000	*%*	*US$'000*	*%*	*US$'000*	*%*
Asia Pacific Region	730,925	100.0	1,667,925	97.2	1,893,256	82.3
Greater China – North Asia	187,121	25.6	362,716	21.1	363,562	15.8

	For the year ended December 31,					
	2020		2021		2022	
	US$'000	*%*	*US$'000*	*%*	*US$'000*	*%*
Greater China – Southeast Asia	348,071	47.6	592,486	34.5	476,007	20.7
Greater China	64,540	8.8	98,065	5.7	91,466	4.0
North Asia and Southeast Asia	73,702	10.1	93,164	5.4	73,022	3.2
Asia – Australia/ New Zealand	46,611	6.4	478,141	27.9	628,639	27.3
Asia – Indian Subcontinent	10,880	1.5	43,353	2.5	260,560	11.3
Transpacific[(1)]	–	–	48,464	2.8	354,411	15.4
Asia – Europe[(1)]	–	–	–	–	43,336	1.9
Others[(2)]	–	–	–	–	10,575	0.5
Total	730,925	100.0	1,716,389	100.0	2,301,578	100.0

Notes:

(1) To address the market condition that has affected long-haul services, we decided to suspend our services in the Transpacific and Asia – Europe markets in December 2022, and all services in the Transpacific and Asia – Europe markets had been suspended in February and in March 2023, respectively.

(2) Others mainly included the trade lane connecting Greater China (Shanghai and Shekou) and the Middle East (Jebel Ali), through Southeast Asia (Port Klang), and the trade lane connecting India (Nhava Sheva and Mundra) and East Africa (Mombasa and Dar es Salaam), through the Middle East (Jebel Ali and Khalifa).

The following table sets forth our revenue generated from container shipping services and the corresponding percentages by types of services for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	US$'000	*%*	*US$'000*	*%*	*US$'000*	*%*
Independent services	297,070	40.6	978,139	57.0	1,148,012	49.9
Joint services	342,586	46.9	617,327	36.0	1,035,789	45.0
Slot exchange arrangements	86,400	11.8	113,116	6.6	104,376	4.5
Slot chartering arrangements	4,870	0.7	7,807	0.5	13,401	0.6
Total	730,925	100.0	1,716,389	100.0	2,301,578	100.0

Independent services and joint services contributed to the majority of our revenue from container shipping services during the Track Record Period. Our revenue from independent services as a percentage of total revenue from container shipping services increased in 2021 primarily because we allocated vessels to long-haul services in the Asia – Australia/New Zealand and Transpacific markets partly by terminating certain joint services we operated, resulting in a decreased percentage of revenue from joint services to total revenue from container shipping services. The termination of certain joint services also resulted in a decrease in revenue from container shipping services contributed by slot exchange arrangements with other carriers (with which we used slots in the joint services to exchange) as a percentage of total revenue from container shipping services in 2021.

Our revenue from joint services as a percentage of total revenue from container shipping services increased in 2022 primarily because we launched new long-haul services in the Asia – Indian Subcontinent, Transpacific, and Asia – Europe markets and the freight rates of these services were higher than short-haul services. As a result, although our revenue from independent services still increased but at a slower rate than the increase in revenue from joint services, leading to a decrease in its percentage of total revenue from container shipping services in 2022.

Our shipping volume

Our shipping volume during the Track Record Period was 1,507,297 TEU, 1,583,574 TEU, and 1,559,142 TEU, respectively, for the years ended December 31, 2020, 2021 and 2022.

The following table sets forth our shipping volume by market for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Shipping volume	*%*	*Shipping volume*	*%*	*Shipping volume*	*%*
			(TEU, except percentage)			
Asia Pacific Region	1,507,297	100.0	1,571,974	99.3	1,470,045	94.3
Greater China – North Asia	401,337	26.6	447,856	28.3	421,127	27.0
Greater China – Southeast Asia	744,968	49.4	710,582	44.9	489,069	31.4
Greater China	157,409	10.4	148,224	9.4	137,010	8.8
North Asia and Southeast Asia	154,857	10.3	110,238	7.0	74,563	4.8
Asia – Australia/ New Zealand	38,734	2.6	142,971	9.0	210,851	13.5
Asia – Indian Subcontinent	9,992	0.7	12,103	0.8	137,425	8.8
Transpacific(1)	–	–	11,600	0.7	72,392	4.6
Asia – Europe(1)	–	–	–	–	11,364	0.7
Others(2)	–	–	–	–	5,341	0.3
Total	1,507,297	100.0	1,583,574	100.0	1,559,142	100.0

Notes:

(1) To address the market condition that has affected long-haul services, we decided to suspend our services in the Transpacific and Asia – Europe markets in December 2022, and all services in the Transpacific and Asia – Europe markets had been suspended in February and in March 2023, respectively.

(2) Others mainly included the trade lane connecting Greater China (Shanghai and Shekou) and the Middle East (Jebel Ali), through Southeast Asia (Port Klang) , and the trade lane connecting India (Nhava Sheva and Mundra) and East Africa (Mombasa and Dar es Salaam), through the Middle East (Jebel Ali and Khalifa).

Our freight rates

Freight rates are prices we charge shippers for each TEU shipped by us, and include fuel and other surcharges.

The following table sets forth the average freight rates by market for the periods indicated:

	For the year ended December 31,		
	2020	2021	2022
		(US$ per TEU)	
Asia Pacific Region	485	1,061	1,288
Greater China – North Asia	466	810	863
Greater China – Southeast Asia	467	834	973
Greater China	410	662	668
North Asia and Southeast Asia	476	845	979
Asia – Australia/ New Zealand	1,203	3,344	2,981
Asia – Indian Subcontinent	1,089	3,582	1,896
Transpacific(1)	–	4,178	4,896
Asia – Europe(1)	–	–	3,813

	For the year ended December 31,		
	2020	2021	2022
		(US$ per TEU)	
Others(2)	–	–	1,980
Total	485	1,084	1,476

Notes:

(1) To address the market condition that has affected long-haul services, we decided to suspend our services in the Transpacific and Asia – Europe markets in December 2022, and all services in the Transpacific and Asia – Europe markets had been suspended in February and in March 2023, respectively.

(2) Others mainly included the trade lane connecting Greater China (Shanghai and Shekou) and the Middle East (Jebel Ali), through Southeast Asia (Port Klang) , and the trade lane connecting India (Nhava Sheva and Mundra) and East Africa (Mombasa and Dar es Salaam), through the Middle East (Jebel Ali and Khalifa).

Our average freight rates were US$485 per TEU, US$1,084 per TEU and US$1,476 per TEU for the years ended December 31, 2020, 2021 and 2022, representing a CAGR of 74.5% from 2020 to 2022. Our freight rates continued to increase during the Track Record Period mainly driven by the changes of the market rates. According to the Drewry Report, the freight rate performance is fundamentally driven by the shipping supply and demand. Due to the increased demand combined with the relatively stagnant supply capacity partially attributable to the COVID-19, the global freight rates started to increase in the second half of 2020. Drewry's World Container Index peaked in September 2021, at US$10,377.2 per FEU. Since the peak, freight rates have begun and continued to fall as a result of slowing demand growth and the easing of supply chain disruption and port congestion, which increased effective capacity. As of April 6, 2023, Drewry's World Container Index arrived at US$1,709.8 per FEU which was 4.7% higher than the index average between 2012 and 2019.

Our customer base

We believe that our diversified customer base and the cargos enable us to achieve higher freight rates. Our diversified customer base includes primarily small and medium-sized customers, including freight forwarders and BCO customers, who usually have moderate shipping demand and therefore command less volume discounts compared with larger customers, and who are more receptive to market freight rates or higher freight rates in case of shortage of supply or urgent shipping requests. Moreover, we focus on shipping high value-added and time-sensitive cargos, including consumer electronics, high-end machinery, auto products and cargos requiring reefer containers such as perishable goods. These cargos often require a combination of on-time delivery, specific container conditions and careful handling, and thus generally command higher freight rates than other cargos, according to the Drewry Report.

Besides, we from time to time service large blue chip customers with their tailored needs. We have undertaken large projects with specifically tailored needs for these customers, with whom we have enjoyed long-term business relationships.

COMPETITION

According to the Drewry Report, the container shipping industry generally has a high entry barriers mainly due to the requirement of high capital expenditure, a global and regional network with partners, customers and suppliers, ship management and operation capabilities, as well as long-established brand and market awareness. The top 10 carriers provided around 58.7% of the total shipping capacity in the Asia Pacific Region in February 2023 and the Asia Pacific Region is more competitive than others because there are many regional carriers operating in the market. There are three major types of container shipping companies in the Asia Pacific Region: (i) global operators with long-haul focus, serving the Asia Pacific Region to support long-haul services or as service extension; (ii) global operators focusing on regional services but having significant presence in multiple continents; and (iii) Asia Pacific Region focused container shipping companies whose business focus is services in the Asia Pacific Region, such as us.

We are a fast-growing Asia Pacific Region focused container shipping company. We compete primarily based on our extensive container shipping network, comprehensive port coverage, our regular liner services and our quality services delivered to customers.

OUR STRENGTHS

We believe the following strengths have contributed towards our success and differentiate us from other container shipping companies.

- Strong profitability and net operating cash inflows generating capability
- Extensive Asia Pacific Region network with deep roots across various markets
- Our flexible operating model and environmentally-compliant fleet
- Our disciplined and carefully-timed vessel purchases driving cost advantage
- Distinct customer focus and strong sales coverage
- A management team with extensive industry experience and proven track record

OUR STRATEGIES

Our mission is to become a leading premium container shipping company promoting agile and seamless logistics solutions for international trades. In order to achieve our mission, we plan to pursue the following strategies.

- Strengthen our advantageous position in the Asia Pacific Region
- Adjust our fleet of vessels and containers
- Continue to promote digitalization of our business
- Strengthen our strategic collaboration with other carriers and selectively pursue strategic investments in port operation

KEY RISK FACTORS

Our business operations and the [**REDACTED**] are subject to various risks, many of which are beyond our control. Such risks can be divided into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in mainland China and Taiwan; and (iii) risks relating to the [**REDACTED**].

We believe that the main risk factors we are exposed to include, without limitation:

- The volatile and cyclical nature of the global container shipping industry could have a material and adverse effect on our business and results of operations.
- We operate in a highly competitive industry. If we fail to compete effectively, our market position, growth prospects and results of operations may be adversely affected, and the price of the Shares may decline significantly.
- Our historical growth rate, revenue and profit margin may not be indicative of future performance.
- We charter in a sizable portion of our fleet and lease in a sizable portion of our containers, which makes us sensitive to fluctuations in the rental market, and as a result, the costs associated with chartering of vessels and leasing of containers are unpredictable and may have a material adverse effect on our business, financial condition, results of operations and liquidity.
- Fluctuations in the main components of our cost structure could adversely affect our profitability and financial condition.
- We may face difficulties in chartering or owning sufficient or reliable vessels to support our strategy.
- If the demand for our services decrease in the future, we may have an excess capacity in our fleet.
- There are numerous risks related to the operation of any sailing vessel and our inability to successfully respond to such risks could have a material adverse effect on us.
- We may be involved in litigation, legal disputes, claims or administrative proceedings which could be costly and time-consuming to resolve.
- Compliance with environmental requirements including climate change and greenhouse gas restrictions could require significant expenditures and consequently affect our business and results of operations.

See "Risk Factors" for further details.

During the Track Record Period, we entered into certain transactions with customers involving the Relevant Regions. We were engaged in the provision of container shipping services to certain customers in the Relevant Regions. As advised by our International Sanctions Legal Advisors who have performed the procedures they consider necessary and have reviewed and relied upon our Company's methodology for screening of all our customers, consignors and vessels (chartered-in and owned) in the Relevant Regions in strict compliance with our Group's sanction risk monitoring policy, during the Track Record Period, our business operations in the Relevant Regions did not constitute a violation of the applicable International Sanctions. For more details, please refer to the section headed "Risk Factors – We could be adversely affected as a result of any services we provide to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities" and "Business – Business activities with Regions subject to International Sanctions" in this document.

CONTROLLING SHAREHOLDERS

Immediately following completion of the [**REDACTED**] (without taking into account any Shares which may be issued upon exercise of the [**REDACTED**], our Group will have two groups of Controlling Shareholders: being: (i) the Chen Family Group comprising Mr. Chen together with Mrs. Chen (the spouse of Mr. Chen), Mr. James Chen (the son of Mr. Chen and Mrs. Chen) and Ms. Christy Chen (the daughter of Mr. Chen and Mrs. Chen) and their respective wholly-owned investment holding companies, namely TS Chen Holding, Search & Search, JC Righteous and Avermay, which in aggregate will hold approximately [**REDACTED**]% of the total issued shares of our Company through Maritime Legacy (a company owned by the aforesaid investment holding companies) and Prevalence, Providence and AM Holding (each being a company wholly-owned by Maritime Legacy); and (ii) the Sharafuddin Entities comprising Mr. Sharafuddin and Vision Investments (a company wholly-owned by Mr. Sharafuddin which will hold approximately [**REDACTED**]% of the total issued shares of our Company). Other than their respective interests in our Group, (i) members of the Chen Family Group hold interests in TS Taiwan and companies engaged in other businesses such as shipping agency services, port agency services and the education industry; and (ii) Mr. Sharafuddin, through foundations founded by him, held interests in other companies engaged in a wide range of businesses such as in the retail, travel and tourism, logistics and warehousing, air cargo, information technology, manufacturing, hospitality and real estate and financial services industries primarily in the Middle East and Africa. See "Relationship with our Controlling Shareholders" for further details of our Controlling Shareholders and the business delineation between our businesses and the respective businesses controlled by the Chen Family Group and the Sharafuddin Entities. Our Group has engaged respective companies controlled by the Chen Family Group and the Sharafuddin Entities for their shipping agency and various other services. See "Connected Transactions" for further details of continuing connected transactions between our Group and companies controlled by our Controlling Shareholders.

SUMMARY KEY FINANCIAL INFORMATION

This summary historical financial information set forth below have been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this document, as well as the information set forth in "Financial Information" of this document. Our financial information was prepared in accordance with HKFRSs.

Consolidated statements of profit or loss

The following table sets forth our consolidated statements of profit or loss for the periods indicated

	For the year ended December 31,		
	2020	**2021**	**2022**
	US$'000	*US$'000*	*US$'000*
Revenue	810,425	1,837,436	2,443,470
Cost of sales	(618,325)	(905,970)	(1,352,130)
Gross profit	192,100	931,466	1,091,340
Other revenue	7,106	163,212	11,630
Other net income/(loss)	8,224	1,302	(972)
Administrative and other operating expenses	(21,206)	(25,197)	(39,719)
Profit from operations	186,224	1,070,783	1,062,279
Finance costs, net	(2,879)	(3,817)	14,618
Share of profits less losses of associates	681	19,320	8,888
Profit before taxation	184,026	1,086,286	1,085,785
Income tax expenses	(68)	(8,605)	(11,278)
Profit for the year	183,958	1,077,681	1,074,507
Attributable to:			
Equity Shareholders of our Company	183,931	1,077,730	1,074,541
Non-controlling interests	27	(49)	(34)
Profit for the year	183,958	1,077,681	1,074,507

During the Track Record Period, we generated revenue from our container shipping services and other container shipping related services mainly including demurrage charges, detention charges, slottage revenue and other shipping surcharges. Our revenue was US$810.4 million, US$1,837.4 million and US$2,443.5 million, respectively, for the years ended December 31, 2020, 2021 and 2022. The continued increases in our revenue during the Track Record Period were mainly driven by the rising freight rates in line with the market. Our average freight rates were US$485 per TEU, US$1,084 per TEU and US$1,476 per TEU for the years ended December 31, 2020, 2021 and 2022, representing a CAGR of 74.5% from 2020 to 2022.

During the Track Record Period, our cost of sales primarily represents (i) container handling expenses such as fees for stevedorage, storage and power supply, (ii) bunker costs, (iii) depreciation expenses of our owned and long-term leased vessels and containers, (iv) container rental and yard expenses, (v) charter hire fees for vessels under short-term leases of one year or less, (vi) vessel running cost such as crew benefit expenses, repair expenses, spare part costs and insurance costs, (vii) port charges such as tug service fees, pilotage fees and berthing and mooring fees and (viii) others mainly including commission expenses. Our cost of sales was US$618.3 million, US$906.0 million and US$1,352.1 million, respectively, for the years ended December 31, 2020, 2021 and 2022, accounting for 76.3%, 49.3%, and 55.3%, respectively, of our total revenue for the respective periods. Vessel building and purchase costs, chartering expenses of vessels and containers as well as bunker costs are key components of our cost structure that are most sensitive to cyclical fluctuations.

We recorded net profit of US$184.0 million, US$1,077.7 million, and US$1,074.5 million, respectively, for the years ended December 31, 2020, 2021 and 2022.

Summary consolidated statements of financial position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report set out in Appendix I to this document:

	As of December 31,		
	2020	**2021**	**2022**
	US$'000	*US$'000*	*US$'000*
Current assets			
Bunkers	10,319	25,229	25,215
Contract assets	13,662	39,746	11,327
Trade and other receivables	132,667	193,513	104,925
Cash and cash equivalents	175,026	868,087	1,320,129
Total current assets	331,674	1,126,575	1,461,596
Non-current assets classified as held for sale	–	–	132,137
Current liabilities			
Contract liabilities	4,300	5,012	4,784
Trade and other payables	163,602	243,721	217,844
Bank borrowings	18,185	33,234	–
Lease liabilities	17,465	106,011	160,681
Tax payable	309	8,455	3,754
Total current liabilities	203,861	396,433	387,063
Net current assets	127,813	730,142	1,206,670

We had net current assets of US$1,206.7 million as of December 31, 2022, primarily consisting of (i) cash and cash equivalents of US$1,320.1 million and (ii) trade and other receivables of US$104.9 million, partially offset by (i) trade and other payables of US$217.8 million and (ii) lease liabilities of US$160.7 million.

We had net current assets of US$730.1 million as of December 31, 2021, primarily consisting of (i) cash and cash equivalents of US$868.1 million and (ii) trade and other receivables of US$193.5 million, partially offset by (i) trade and other payables of US$243.7 million and (ii) lease liabilities of US$106.0 million.

We had net current assets of US$127.8 million as of December 31, 2020, primarily consisting of (i) cash and cash equivalents of US$175.0 million and (ii) trade and other receivables of US$132.7 million, partially offset by trade and other payables of US$163.6 million.

See "Financial Information — Description of major line items in our consolidated statements of financial position" for further details.

Summary of consolidated cash flow statements

The following table sets forth our cash flows for the periods indicated:

	For the year ended December 31,		
	2020	**2021**	**2022**
	US$'000	*US$'000*	*US$'000*
Operating profit before changes in working capital	223,658	1,188,369	1,289,595
Changes in working capital and income tax paid	(26,645)	(17,882)	84,341
Net cash generated from operating activities	197,013	1,170,487	1,373,936
Net cash generated from operating activities	197,013	1,170,487	1,373,936
Net cash used in investing activities	(90,763)	(471,279)	(175,883)
Net cash used in financing activities	(16,542)	(1,201)	(744,768)
Net increase in cash and cash equivalents	89,708	698,007	453,285
Cash and cash equivalents at the beginning of the year	83,378	175,026	868,087
Effect of foreign exchange rate changes	1,940	(4,946)	(1,243)
Cash and cash equivalents at the end of the year	175,026	868,087	1,320,129

Key Financial Ratios

The following table set forth our key financial ratios as of the date or for the period indicated:

	As of/For the year ended December 31,		
	2020	**2021**	**2022**
Return on equity[(1)](%)	63.5	118.0	59.7
Return on total assets[(2)](%)	32.5	73.5	42.8
Current ratio[(3)](Times)	1.6	2.8	4.1
Quick ratio[(4)](Times)	1.6	2.8	4.1
Gearing ratio[(5)](%)	28.1	13.2	nil

Note:

(1) Return on equity is calculated based on profit attributable to Shareholders of our Company for the period divided by the arithmetic mean of the opening and closing balances of total equity attributable to equity Shareholders of our Company and multiplied by 100%.

(2) Return on total assets is calculated based on profit attributable to Shareholders of our Company for the period divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.

(3) Current ratio is calculated based on total current assets divided by total current liabilities.

(4) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(5) Gearing ratio is calculated based on total bank borrowings divided by total equity and multiplied by 100%.

[REDACTED] STATISTICS

	Based on the [REDACTED] of HK$[REDACTED] per Share	Based on the [REDACTED] of HK$[REDACTED] per Share
Market capitalization of our Shares (approximately)[(1)]	HK$[REDACTED] million	HK$[REDACTED] million
Unaudited pro forma adjusted consolidated net tangible asset value per Share[(2)]	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) The calculation is based on the assumption that [**REDACTED**] Shares will be issued pursuant to the [**REDACTED**], assuming that the [**REDACTED**] is not exercised.

(2) The unaudited pro forma adjusted net tangible asset value per Share is calculated after the adjustment referred to in "Unaudited Pro Forma Financial Information" in Appendix II to this document and on the basis of [**REDACTED**] Shares will be issued pursuant to the [**REDACTED**], assuming that the [**REDACTED**] is not exercised.

FUTURE PLANS AND [REDACTED]

See "Business — Our strategies" for a detailed description of our future plans and strategies.

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] million, after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document.

We intend to use the [**REDACTED**] we will receive from the [**REDACTED**] for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market condition:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for the new vessels we ordered and the vessel chartering contracts we entered into.
  - approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for the new vessels we ordered.
  - approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for the vessel chartering contracts we entered into.
- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for container leasing.
- Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes.

For further details, see "Future Plans and [**REDACTED**].

DIVIDENDS

We may distribute dividends by way of cash or by other means that we consider appropriate. For the years ended December 31, 2020, 2021 and 2022, our Company declared and paid cash dividends of US$3.5 million, US$10.5 million and US$370.0 million, respectively, to its Shareholders. In addition, our Company made a bonus issue which capitalized retained profits of US$70.0 million for the year ended December 31, 2021.

We currently do not have a fixed dividend payout ratio. Any future determination to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to our Shareholders' approval.

Dividends may be paid only out of our distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits may not be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we or any of our subsidiaries incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends. The past dividend distribution record may not be used as a reference or basis in determining the level of dividends that may be declared or paid by us in the future. See "Risk Factors — Risks relating to the [**REDACTED**] — We may not declare dividends on our Shares in the future" for further details.

[REDACTED] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We expect to incur total [**REDACTED**] expenses of approximately HK$[**REDACTED**] (assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] range), of which approximately HK$[**REDACTED**] million has been charged to profit or loss for the year ended December 31, 2022. The total [**REDACTED**] expenses consist of approximately HK$[**REDACTED**] fees (including SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) and approximately HK$[**REDACTED**] million non-[**REDACTED**] fees mainly including (i) fees of legal advisor(s) and reporting accountant(s) of approximately HK$[**REDACTED**]; and (ii) other fees and expenses of approximately HK$[**REDACTED**]. Among the total [**REDACTED**] expenses, approximately HK$[**REDACTED**] is expected to be or has been charged to profit or loss, and approximately HK$[**REDACTED**] directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the [**REDACTED**]. Our total [**REDACTED**] expenses are estimated to account for [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**]. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS

Our business

In February 2023, we launched a new service through joint service in our Asia – Indian Subcontinent market covering ports including Busan, Kwangyang, Shanghai, Ningbo, Shekou, Kelang, Nhava Sheva, Mundra and Karachi to increase the frequency of our services in the region.

As of December 31, 2022, we had a total of 50 vessels, consisting of 31 owned vessels and 19 chartered-in vessels, with a total capacity of 109,947 TEU. We received the delivery of one new vessel in March, 2023. We closely monitored the container shipping market conditions including the prevailing market freight rates subsequent to December 31, 2022, based on which we did not renew certain short-term vessel charters when due. As of the Latest Practicable Date, we operated a fleet of 41 vessels with a total capacity of 80,167 TEU, among which, 26 were our owned vessels and 15 were chartered-in vessels.

As of the Latest Practicable Date, we have ordered 19 vessels including 13 vessels each ranging from 1,100 to 2,900 TEU and six 7,000 TEU vessels, which are expected to be delivered between May 2023 and November 2024. The vessels we have ordered are expected to be flexible in deployment across multiple trade lanes.

Our industry

The container shipping industry is cyclical as demand and supply fluctuate. Freight rates increased dramatically from mid-2020, which was mainly due to the improved capacity management, a subsequent surge in demand, container equipment shortage and supply chain inefficiency. Drewry's World Container Index peaked in September 2021, at US$10,377.2 per

FEU. Since the peak, freight rates have begun and continued to fall as a result of slowing demand growth and the easing of supply chain disruption and port congestion, which increased effective capacity. Considering the weak macro economy outlook for 2023, freight rates continue to be under downward pressure. As of April 6, 2023, Drewry's World Container Index arrived at US$1,709.8 per FEU which was 4.7% higher than the index average between 2012 and 2019. See "Industry Overview — Global Container Shipping Industry — Operating models — Cyclicality of the container shipping industry."

The container shipping industry is cyclical and carriers' profitability is mainly affected by the market demand and carriers' shipping capacity according to the Drewry Report. When carriers are profitable, they tend to invest in new vessels. When most carriers respond to the same market trend and build new vessels, this typically results in overcapacity. As a result, the balance of shipping capacity and demand will change, which will in turn lead to a fall in carriers' profitability, and carriers typically respond by reducing vessel investments. Shipping demand growth generally leads to higher capacity utilization and improved profitability, prompting a further round of investments. This cycle was distorted in 2010 to 2019 when carriers built larger vessels to achieve economies of scale which led to a period of sustained overcapacity.

In terms of supply, the container shipping industry is expected to experience cyclicality in the coming years. However, when the global economic growth resumes post COVID-19, the industry is less likely to revert to the prolonged periods of overcapacity between 2010 and 2019. It is because the economies of scale have already been established in major shipping routes and the increase in vessel size is likely to slow down, according to the Drewry Report.

Besides, historically, the freight rates of Intra-Asia, a significant area of the Asia Pacific Region in terms of shipping volume, are more stable compared to long-haul freight rates such as the Transpacific Eastbound and Asia — Europe Westbound trade lanes according to the Drewry Report.

Our measures to address the current industry development

In the event of market downturn in the container shipping industry, we will consider several measures to mitigate the resulting impact:

Reallocation of vessels in our services

We can reallocate vessels in our services by adjusting the frequency of or temporarily cease certain adversely affected long-haul services, and we can (a) redeploy vessels in affected long-haul services to support the Asia Pacific Region (including the Greater China — Southeast Asia and Asia — New Zealand markets) or (b) return chartered-in vessels when their charters expire with vessels in affected long-haul services. For example, pending the future market recovery:

- we reduced the frequency of three services in our Asia-Australia market from 14 voyages per month in November 2022 to nine voyages per month in February 2023;
- we decided to suspend our services in the Transpacific and Asia – Europe markets in December 2022, and all services in the Transpacific and Asia – Europe markets had been suspended in February and in March 2023, respectively; and

- We may impose blank sailings in some of our services, by skipping certain ports or an entire voyage.

Capacity management of vessel and container fleet

We may adjust our existing vessel and container fleet size to adapt to the changing market demand in the event of market downturn through the following approaches:

- We plan to sell some of our owned vessels and return chartered-in vessels when their charters expire. New vessels scheduled to be delivered in the coming years may replace the owned vessels we sold and chartered-in vessels we returned and new vessels have the benefit of long-term cost effectiveness, younger vessel fleet, becoming more environmentally friendly and complying with environmental regulations such as IMO requirements; For example, we entered into contracts to dispose of some of our owned vessels in February, March and April 2023, further details of which are set forth in the following table:

Vessel's name	Capacity (TEU)	Contract date	Delivery date/estimated delivery date
TS YOKOHAMA	1,096	February 3, 2023	March 24, 2023
TS SHANGHAI	1,096	February 3, 2023	March 31, 2023
TS MOJI	962	February 3, 2023	April 18, 2023
TS MANILA	2,553	February 20, 2023	March 23, 2023
TS DUBAI	6,310	March 4, 2023	March 22, 2023
TS MUMBAI	5,683	March 4, 2023	April 17, 2023
TS HONGKONG	1,578	April 11, 2023	May 8, 2023

In addition, in January, February and March 2023, we returned some of the chartered-in vessels whose charters have expired. We set forth the further details in the following table:

Vessel's name	Capacity (TEU)	Return date
SIRI BHUM	958	January 31, 2023
SHIMIN	5,047	February 13, 2023
LALIT BHUM	1,668	February 28, 2023
SUEZ CANAL	5,610	March 10, 2023

- We may temporarily charter out some of our owned or chartered-in vessels. For example, we chartered out two chartered-in vessels in November 2022 and December 2022, both on a short-term (less than six months) basis;

- We may return our chartered-in vessels and leased containers when the charters or leases expire, depending on our actual or forecasted demand. For example, in February 2023, we returned leased containers of approximate 4,371 TEU when their leases expired; and

- We may dispose of older owned containers. For example, we disposed of owned containers of 41 TEU in February 2023.

Effects of the COVID-19 outbreak

The outbreak of a novel strain of coronavirus named COVID-19 has materially and adversely affected the global economy. Subsequent to the Track Record Period, the impact from the COVID-19 pandemic, though lingering, has been gradually easing. Measures to contain its spread, including lockdowns, travel bans, quarantine measures, social distancing, and restrictions on business operations and other related restrictions have also been lifted in general.

Our Directors confirmed that the COVID-19 outbreak did not have any material adverse impact on our business operations and financial performance as of the Latest Practicable Date, primarily because: (i) there had been no material disruption of our operations; (ii) there had been no material disruption of our sales and marketing activities; and (iii) we had not encountered any material supply chain disruption.

Financial outlook

Our strong financial performance during the Track Record Period was mainly benefited from the market freight rate which increased from mid-2020 and peaked in September 2021 but has begun and continued to fall. According to the Container Forecaster published by Drewry in the first quarter of 2023, the global average freight rate (referring to the weighted average freight rate, inclusive of fuel charges, covering both spot and contract markets) in 2023 and 2024 is forecasted to decrease by 59.8% and 65.3%, respectively, compared to that in 2022, but remained 29.0% and 11.3%, respectively, higher than that in 2019. In light of the above deteriorating freight rate forecast for 2023, our Directors are of the view that our Group's estimated freight rate and revenue for 2023 will be affected.

Reorganization

As part of our Reorganization, on September 14, 2022, our Company transferred our 44.2% shareholding in TS Taiwan to TSSA (a company wholly-owned by the Chen Family Group) at an aggregate consideration of NT$672,192,668. The transfer was legally completed and settled by cash on September 14, 2022. Upon completion of such equity transfer, our Group has ceased to hold any interest in TS Taiwan. Our Company has established its Taiwan branch, which aims to support our business and operational needs in relation to our trade lanes between Taiwan and other locations (which do not constitute Cross-strait Trade Lanes). The Taiwan branch entered into employment agreements with employees resigning from TS Taiwan in November 2022.

Dividends

On April [28], 2023, our Directors have resolved to declare interim cash dividends of up to US$800 million to our Shareholders whose names appear on the register of members of our Company on the same day, of which (i) US$400 million shall be paid no later than May 2023; and (ii) the remaining amount, if any, shall be subject to further determination by our Directors and, where applicable, paid by our Company prior to the [**REDACTED**].

Our Directors confirm that there has been no material adverse change in our financial or trading position or prospects since December 31, 2022 and up to the Latest Practicable Date.