



CHINA NAVIGATION

News Release

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The China Navigation Company (CNCo) to separate out its dry bulk shipping activities

Singapore - CNCo will separate out its dry bulk shipping activities from its liner shipping and fleet management business and establish Swire Bulk as a standalone privately held company head-quartered in Singapore.

CNCo established Swire Bulk as a division of the Company in 2012 and has grown the business rapidly over the last eight years. Following the acquisition of Hamburg Sud Tramp from Maersk Line in 2019, Swire Bulk has become the largest part of CNCo's business, operating a fleet of up to 150 vessels predominantly in the Handysize and Supra/Ultramax sectors. With firm commitments out to 2038, a diversified cargo base and a balanced vessel operating mix between owned & chartered tonnage, an independent Swire Bulk is well-placed to be a long-term partner of choice for its customers.

Swire Bulk operates one of the youngest and most fuel-efficient fleets on the water and is well-positioned to out-perform the market. Swire Bulk's fleet will grow in the coming years with the addition of 8 new-build Handysize Oshima 37,000dwt vessels to be delivered from Q4 2020.

It is the right time to establish Swire Bulk as an independent entity in order to provide the business with the optimal platform to support its growth ambitions and cement its position as a provider of market leading freight solutions.



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“While it has been a difficult dry bulk market over the last few years, Swire Bulk has built an excellent reputation in the dry bulk sector in a relatively short period of time. Setting up Swire Bulk as a standalone business will give it the independence required for its continued development as a high-quality global dry bulk operator. Market leadership in terms of the safety & quality of our operation and our sustainability commitments & initiatives with our partners will remain central to Swire Bulk’s business strategy” commented Sam Swire, Chairman of CNCo.

“Swire Bulk has built an experienced and high-performing team with over 100 employees across 9 offices around the world with a strong customer centric culture and an excellent reputation towards innovative freight solutions and its ability to build high-valued partnerships with tonnage providers, trading houses and our core industrial client base” commented Rob Aarvold, Swire Bulk General Manager.

As with CNCo today, John Swire & Sons Ltd will remain the ultimate parent company for Swire Bulk. The target date for the separation is the 1st January 2021. It will be business as usual for our customers, tonnage partners and all related stakeholders both before and after the establishment of Swire Bulk as an independent entity.

CNCo and Swire Bulk will continue to share certain service activities following the transition including technical management services for some of its owned fleet. An announcement will be made about the appointment of a new CEO for Swire Bulk in due course.



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About CNCo

CNCo is the wholly owned deep-sea ship owning and operating division of the multinational Swire Group. CNCo was founded in 1872 in Shanghai and started its operations trading on China's Yangtze River. Since then the company has expanded globally while its primary operational focus remains in the Asia-Pacific region. The company operates a global network of multipurpose liner services for the transportation of containerised, breakbulk, heavy lift and project cargoes in addition to providing dry bulk and bulk logistics services on a worldwide basis. The company today employs around 2,500 employees globally and owns and operates about 180 vessels consisting mainly of dry bulk carriers and multipurpose liner vessels. The business is focused on being a leading provider of sustainable and innovative shipping services and being partner of choice.

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