

THE CHINA NAVIGATION COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

REGISTERED NUMBER: 6005



THE CHINA NAVIGATION COMPANY LIMITED
REGISTERED NUMBER: 6005

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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**THE CHINA NAVIGATION COMPANY LIMITED (the “Company”)
REGISTERED NUMBER: 6005**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STRATEGIC REPORT

Principal activity

The principal activity of the Company during the year was to act as an investment holding company for the various subsidiaries within the China Navigation Group of companies. The principal activity of the China Navigation group of companies is as a deep-sea ship-owning and operating business, which operates a global network of multi-purpose liner services, drybulk and bulk logistics services.

During 2019 the Company will continue to operate as an investment holding company. Swire Shipping Limited (a 100% subsidiary of the Company) will continue to run down its operations and become dormant. Other investments held by the Company will be reviewed during 2019.

Company performance

The Company made a loss for the year after taxation of £2,022,000 (2017: profit of £1,754,000). The primary income of the Company is derived from dividends and interest received from its subsidiaries. This income is reduced by certain administrative costs of the group.

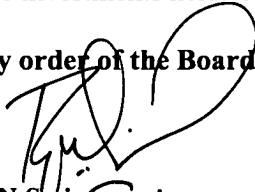
Position at the end of the year

As at 31 December 2018 the Company had net assets of £340,651,000 (2017: £320,017,000) and net current liabilities of £188,000 (2017: £785,000). The Company’s directors have a reasonable expectation that the Company will be able to continue in operation for the foreseeable future and has therefore applied the going concern basis to the preparation of the financial statements.

Principal risks and uncertainties

As the holding company of the China Navigation Group of companies, the principal risk the Company faces is that the companies within the group do not perform well in the future, thus affecting the value of the investments held. Accordingly, the performance of group companies is reviewed regularly.

By order of the Board


BN Swire
Director

22 May 2019

THE CHINA NAVIGATION COMPANY LIMITED
REGISTERED NUMBER: 6005

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT

The directors of The China Navigation Company Limited (registered number 6005), a private company limited by shares, incorporated in England and Wales, present their report and the audited financial statements of the Company for the year ended 31 December 2018

Results and dividends

The loss for the year after taxation was £2,022,000 (2017: profit £1,754,000).

No dividends were paid in 2018 (2017: £Nil). The directors do not recommend the payment of a full-year dividend.

Going concern

Although the Company has net current liabilities of £188,000 (2017: £785,000), on the basis of the directors' assessment of the Company's financial position and of the enquiries made of the directors of John Swire & Sons Limited, the Company's immediate and ultimate parent, the directors have a reasonable expectation that the Company will be able to continue in operation for the foreseeable future. They have therefore adopted the going concern basis of accounting in preparing these financial statements.

Further information regarding the going concern basis of accounts preparation is set out in the accounting policies in the notes to the accounts on pages 12 to 22.

Directors

The directors who held office during the year and up to the date of this report were:

BN Swire
SC Swire (Appointed 29 June 2018)
JH Woodrow
MB Swire (Resigned 29 June 2018)

Directors' indemnities

The Company's immediate and ultimate parent company, John Swire & Sons Limited, maintains directors' and officers' liability insurance and pension trustees' liability insurance, which give appropriate cover for any legal action brought against the directors and officers of the Company.

Charitable and political donations

The Company did not make any charitable or political donations during the year or prior year.

THE CHINA NAVIGATION COMPANY LIMITED
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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT (Continued)

Disclosure of information to auditor

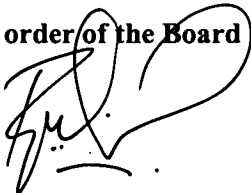
The directors of the Company who held office at the date of approval of this directors' report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that a director ought to have taken to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

A handwritten signature in black ink, appearing to be 'BN Swire', written over a circular stamp or seal.

BN Swire
Director

22 May 2019

Registered address:
Swire House
59 Buckingham Gate
London
SW1E 6AJ

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHINA NAVIGATION COMPANY LIMITED

We have audited the financial statements of The China Navigation Company Limited ("the Company") for the year ended 31 December 2018 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHINA NAVIGATION COMPANY LIMITED (Continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHINA NAVIGATION COMPANY LIMITED (Continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Downer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London. E14 5GL



22 May 2019

THE CHINA NAVIGATION COMPANY LIMITED
REGISTERED NUMBER: 6005

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	2018 £'000	2017 £'000
Administrative (expenses) / income		(2,464)	1,189
Other operating expenses		---	---
Operating (loss) / profit	2	(2,464)	1,189
Other interest receivable and similar income	3	708	551
(Loss) / profit before taxation		(1,756)	1,740
Tax on loss / profit	4	(266)	14
(Loss) / profit for the financial year		(2,022)	1,754
Other comprehensive income net of tax:			
Foreign exchange differences on translation of foreign operations		22,656	(35,155)
Total comprehensive income / (loss)		20,634	(33,401)

The notes on pages 12 to 22 form part of these financial statements.

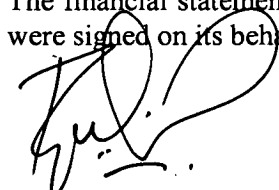
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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

BALANCE SHEET AS AT 31 DECEMBER

	<i>Note</i>	2018 £'000	2017 £'000
Fixed assets			
Tangible fixed assets	5	---	---
Investment in subsidiary undertakings	6	331,286	311,636
Investment in associated undertakings	7	9,553	8,986
Investment in joint ventures	8	---	19
Other investments		---	161
		340,839	320,802
Current assets			
Debtors – amounts falling due within one year	9	6,231	5,950
Cash at bank and in hand		2,616	1,870
		8,847	7,820
Creditors: amounts falling due within one year	10	(9,035)	(8,605)
Net current liabilities		(188)	(785)
Total assets less current liabilities		340,651	320,017
Net assets		340,651	320,017
Capital and reserves			
Called-up share capital	11	206,500	206,500
Exchange reserve		88,790	66,172
Profit and loss account		45,361	47,345
		340,651	320,017

The financial statements on pages 9 to 22 were approved by the board of directors on 22 May 2019 and were signed on its behalf by:



BN Swire
Director

THE CHINA NAVIGATION COMPANY LIMITED
REGISTERED NUMBER: 6005

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up Share Capital £'000	Translation Reserve £'000	Profit & Loss Account £'000	Total Equity £'000
Balance as at 1 January 2017	206,500	101,437	45,481	353,418
Profit for the financial year	---	---	1,754	1,754
Other comprehensive income for the financial year	---	(35,265)	110	(35,155)
Balance as at 31 December 2017	<u>206,500</u>	<u>66,172</u>	<u>47,345</u>	<u>320,017</u>
Balance as at 1 January 2018	206,500	66,172	47,345	320,017
Loss for the financial year	---	---	(2,022)	(2,022)
Other comprehensive income for the financial year	---	22,618	38	22,656
Balance as at 31 December 2018	<u>206,500</u>	<u>88,790</u>	<u>45,361</u>	<u>340,651</u>

THE CHINA NAVIATION COMPANY LIMITED
REGISTERED NUMBER: 6005

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The China Navigation Company Limited is a company incorporated and domiciled in England and Wales United Kingdom. The Company's registered address is Swire House, 59 Buckingham Gate, London, SW1E 6AJ.

The Company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's immediate and ultimate parent undertaking, John Swire & Sons Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of John Swire & Sons Limited are prepared in accordance with International Financial Reporting Standards ("IFRS") and are available from Swire House, 59 Buckingham Gate, London, SW1E 6AJ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRS;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of the immediate and ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IAS 36: Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- certain disclosures required by IFRS 3: Business Combinations in respect of business combinations undertaken by the Company; and
- certain disclosures required by IFRS 9: Financial Instruments
- certain disclosures required by IFRS 13: Fair Value Measurement and the disclosures required by IFRS 7: Financial Instrument Disclosures.
- certain disclosures required by IFRS 15: Revenue from Contracts with Customers
- certain disclosures required by IFRS16: Leases

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (Continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the historical cost basis except where assets and liabilities are stated at their fair value. There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements for the historic or forecast years. The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

1.1 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £188,000 which the directors believe to be appropriate for the following reasons:

- The Company is dependent for its working capital on funds provided to it by John Swire & Sons Limited, the Company's immediate and ultimate parent company;
- John Swire & Sons Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company; and
- John Swire & Sons Limited will not seek repayment of the amounts currently made available within 12 months of the date of approval of these financial statements.

The Directors consider that this should enable the Company to meet its liabilities as they fall due for payment.

Based on the undertaking from John Swire & Sons Limited, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.2 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in subsidiaries are stated at cost less provision for any impairment losses.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.2 Non-derivative financial instruments (Continued)

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the financial currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account, except for differences arising on the translation of foreign branches, which are recognised in other comprehensive income.

1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

1.5 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS

	<i>2018</i> <i>£'000</i>	<i>2017</i> <i>£'000</i>
2. Operating (loss)/profit		
The operating (loss)/profit is arrived at after taking account of:		
- Provision against subsidiary undertaking (made) / released	(2,756)	4,254
- Audit of these financial statements	(34)	(35)
- Net exchange gains	11	33
	<hr/>	<hr/>

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's immediate and ultimate parent, John Swire & Sons Limited.

No staff costs were incurred in the period. No Director received any emoluments during the year for services to the Company (2017: £nil). The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the Directors receive from their respective Group company employer to the qualifying services they provide to the Company. The Company is also of the opinion any allocation would be immaterial.

	<i>2018</i> <i>£'000</i>	<i>2017</i> <i>£'000</i>
3. Other interest receivable and similar income		
Income receivable from group undertakings		
- receivable from associated undertakings	29	20
- receivable from subsidiary undertakings	679	531
	<hr/>	<hr/>
	708	551
	<hr/>	<hr/>

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Taxation

Analysis of tax charge in year

	2018	2017
	£'000	£'000
<i>UK corporation tax</i>		
Current tax on income for the year	101	(29)
Adjustments in respect of prior years	(27)	(20)
	<u>74</u>	<u>(49)</u>
Double taxation relief	---	---
	<u>74</u>	<u>(49)</u>
<i>Foreign tax</i>		
Current tax on income for the year	192	57
Adjustments in respect of prior years	---	(22)
	<u>192</u>	<u>35</u>
Total tax charge/(credit) on loss / profit	<u>266</u>	<u>(14)</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2017: lower) than the standard rate of corporation tax in the UK 19.00% (2017: 19.25%). The differences are explained below.

	2018	2017
	£'000	£'000
<i>Current tax reconciliation</i>		
(Loss) / profit before tax	(1,756)	1,740
Current tax at 19.00% (2017: 19.25%)	(334)	335
<i>Effects of:</i>		
Tax exempt income	(129)	(921)
Expenses not deductible for tax	524	533
Foreign taxation	192	73
Transfer pricing adjustments	7	8
Capital gain	33	---
Adjustments in respect of prior years	(27)	(42)
Total current tax charge/(credit)	<u>266</u>	<u>(14)</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the Company's future current tax charge accordingly.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<i>Plant and Equipment £'000</i>	
5. Tangible fixed assets		
Cost		
At start of year		36
Currency adjustment		2
		<hr/>
At end of year		38
		<hr/>
Depreciation		
At start of year		36
Currency adjustment		2
		<hr/>
At end of year		38
		<hr/>
Net book amount		
At 31 December 2018		---
		<hr/>
At 31 December 2017		---
		<hr/>
	2018	2017
	£'000	£'000
6. Subsidiary undertakings		
Unquoted shares at cost		
At start of year	312,601	343,099
Currency adjustment	19,691	(30,498)
Transfer from joint ventures	20	---
	<hr/>	<hr/>
At end of year	332,312	312,601
	<hr/>	<hr/>
Amounts written off		
At start of year	965	1,059
Currency adjustment	61	(94)
	<hr/>	<hr/>
At end of year	1,026	965
	<hr/>	<hr/>
Net book value at 31 December	331,286	311,636
	<hr/>	<hr/>

Particulars of subsidiary undertakings are set out on pages 20 and 21.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2018 £'000	2017 £'000
7. Associated undertakings		
Unquoted shares at cost or valuation		
At start of year	8,986	12,856
Currency adjustment	567	(1,142)
Written off during the year	---	(2,728)
At end of year	<u>9,553</u>	<u>8,986</u>

Particulars of associated undertakings are set out on page 22.

	2018 £'000	2017 £'000
8. Joint ventures		
Unquoted shares at cost or valuation		
At start of year	19	20
Currency adjustment	1	(1)
Transfer to subsidiary undertakings	(20)	---
At end of year	<u>---</u>	<u>19</u>

Particulars of joint ventures are set out on page 22.

	2018 £'000	2017 £'000
9. Debtors		
Amounts falling due within one year		
Amounts owed by parent undertaking	2,964	2,962
Amounts owed by joint venture	2,779	2,589
Amounts owed by subsidiary undertakings	488	399
	<u>6,231</u>	<u>5,950</u>

All amounts falling due within one year are unsecured, interest free and repayable on demand.

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<i>2018</i> <i>£'000</i>	<i>2017</i> <i>£'000</i>
10. Other creditors (all due within one year)		
Amounts owed to subsidiary undertakings	7,548	7,548
Amounts owed to fellow subsidiary undertakings	613	389
Taxation payable	818	602
Other creditors	---	23
Accruals and deferred income	56	43
	<u>9,035</u>	<u>8,605</u>

Amounts owed to subsidiary undertakings and to fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

	<i>2018</i> <i>£'000</i>	<i>2017</i> <i>£'000</i>
11. Called-up share capital		
Allotted, called-up and fully paid		
206,500,000 ordinary shares of £1 each	<u>206,500</u>	<u>206,500</u>

12. Immediate and ultimate parent company

The immediate and ultimate parent company is John Swire & Sons Limited, a company registered in England and Wales.

Copies of the consolidated financial statements of John Swire & Sons Limited, the only financial statements to consolidate the results of the Company, are available from Swire House, 59 Buckingham Gate, London SW1E 6AJ.

13. Related party disclosures

As a wholly owned subsidiary within the group headed by John Swire & Sons Limited, the Company is exempt from the requirements of FRS 8 "Related Party Disclosures" and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

THE CHINA NAVIGATION COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Subsidiary undertakings

Direct interests

Full company name	Class of share	Percentage owned by the Company	Items to note
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Cyprus

Registered office: Olympion, 25, Omiros & Araouzos Tower, Floor 3, 3035 Limassol, Cyprus			
Atlantic Sky Shipping Co Ltd	Ordinary	100%	In liquidation

Papua New Guinea

Registered office: c/o Swire Shipping, Level 1, Enb Haus, Harbour City, Port Moresby, National Capital District, Papua New Guinea			
New Guinea Australia Line Limited	Ordinary	100%	

Republic of Singapore

Registered office: 300 Beach Road, #27-011 Concourse, Singapore 199555			
The China Navigation Co. Pte. Ltd	Ordinary	100%	

Solomon Islands

Registered office: c/o Morris & Sojnocki, Level 2 City Centre Building, Mendana Ave, Honiara City, Solomon Islands			
G.T.S. Limited	Ordinary	60%	
Tradco Shipping Limited	Ordinary	83.3%	

Taiwan

Registered office: 5 F No. 297, Heping East Road, Section 2, Taipei 10670, Taiwan			
Swire Shipping Agencies (Taiwan) Limited	Ordinary	100%	

United Kingdom

Registered office: Swire House, 59 Buckingham Gate, London, SW1E 5AJ, United Kingdom			
Swire Shipping Limited	Ordinary	100%	
Tasman Orient Line (U.K.) Limited	Ordinary	100%	

Indirect interests

Full company name	Class of share	Percentage owned by subsidiaries	Items to note
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Bahamas

Registered office: P.O. Box N-7768, Nassau, Bahamas			
Polynesia Line Ltd	Ordinary	100%	

China

Registered office: Room 1711, China Shine Plaza, No. 9 Lin HeXi Road, Tian He District, Guangzhou, P.R. China 51060			
Taikoo Maritime Services (Guangdong) Ltd	Registered capital	100%	

Cyprus

Registered office: Olympion, 25, Omiros & Araouzos Tower, Floor 4, 3035 Limassol, Cyprus			
Tasman Orient Line (Cyprus) Ltd	Ordinary	100%	In liquidation

Fiji

Registered office: Lot 1, Foster Road, Walubay, P.O.Box 15832 Suva, Fiji			
Pacific Agencies (Fiji) Ltd	Ordinary	100%	

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Subsidiary undertakings (Continued)

Indirect interests (Continued)

Full company name	Class of share	Percentage owned by subsidiaries	Items to note
Hong Kong			
Registered office: 33 rd Floor, One Pacific Place, 88 Queensway, Hong Kong			
Swire Shipping (Agencies) Limited	Ordinary	100%	
Taikoo Maritime Services Limited	Ordinary	100%	
New Caledonia			
Registered office: 22 Avenue James Cook, BP 97 98848, Noumea, New Caledonia			
Swire Shipping Agencies SAS	Ordinary	60%	
New Zealand			
Registered office: Level 14, 151 Queen Street, Auckland, 1010, New Zealand			
Cubic Transport Services Ltd	Ordinary	40%	
Quadrant Pacific Agencies Ltd	Ordinary	66.66%	
Quadrant Pacific Ltd	Ordinary	66.66%	
The China Navigation Company NZ Limited	Ordinary	100%	
United States of America			
Registered office: 899 Northgate Drive, Suite 200, San Rafael, CA 94903, USA			
The China Navigation Company US LLC	Ordinary	100%	

THE CHINA NAVIGATION COMPANY LIMITED**REGISTERED NUMBER: 6005****ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018****NOTES TO THE FINANCIAL STATEMENTS (Continued)****15. Joint ventures and associated undertakings**

<i>Full Company Name</i>	<i>Class of share</i>	<i>Percentage attributable to the group</i>	<i>Percentage owned by subsidiaries</i>	<i>Joint venture (JV)/ Associated undertaking (A)</i>	<i>Items to note</i>
American Samoa					
Registered office: P.O. Box 1478, Fagato Road, Pago Pago, American Samoa 96799					
Polynesia Shipping Services Inc	Ordinary	50%	50%	JV	
British Virgin Islands					
Registered office: P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI					
Bohary Limited	Ordinary	25%	25%	A	Dormant
Dragon Admiral Limited	Ordinary	25%	25%	A	Dormant
Mandarin Shipping Group Ltd	Ordinary	25%	25%	A	31 July year end
Registered office: Coastal Building Wickhams Cay II, P.O. Box 2221 Road Town, Tortola, BVI					
Mandarin Containers Ltd	Ordinary	17.34%	17.34%	A	
Fiji					
Registered office: Lot 1 Foster Road, Walybay Suva, P.O. Box 15832, Suva Fiji					
Container Services Fiji Limited		33%	50%	JV	
Hong Kong					
Registered office: 33/F One Pacific Place, 88 Queensway, Hong Kong					
Swire CTM Bulk Logistics Ltd	Ordinary	50%	0%	JV	
Indonesia					
Registered office: Menara Karya Building, 12 th Floor Jl. H.R. Rasuna Said Block X-5 Kav. 1-2 Kuningan, Jakarta 12950, Indonesia					
PT Mitrahahtera Segara Sejati Tbk	Ordinary	25.7%	25.7%	A	
New Zealand					
Registered office: Accounting Bethlehem, 6 Cherry Way, Bethlehem, Tauranga, 3110, New Zealand					
Independent Stevedoring Limited	Ordinary	33.33%	50%	JV	