

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30 June 2013, the discloseable interests and short positions of each Director and the Chief Executive in shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Future Ordinance ("SFO"), which: (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (b) were required to be entered in the register maintained by the Company under Section 352 of the SFO, or (c) were required pursuant to the Model Code, were as follows:

Name of Director	Personal interests	Corporate or Family interests/ Trust & similar interests	Long/Short position	Number of underlying Shares under equity derivatives	Total Share interests	Approximate percentage of the issued share capital of the Company	
						30 June 2013	31 Dec 2012
David M. Turnbull ¹	1,559,000	3,621,873 ²	Long	–	5,180,873	0.27%	0.24%
Mats H. Berglund ¹	3,904,651 ³	–	Long	–	3,904,651	0.20%	0.16%
Jan Rindbo ¹	5,162,370	–	Long	–	5,162,370	0.27%	0.23%
Andrew T. Broomhead ¹	1,995,000	2,309,528 ⁴	Long	–	4,304,528	0.22%	0.19%
Chanakya Kocherla ¹	2,388,667	–	Long	–	2,388,667	0.12%	0.10%
Patrick B. Paul	120,000	–	Long	–	120,000	less than 0.01%	less than 0.01%
Daniel R. Bradshaw	–	386,417 ⁵	Long	–	386,417	0.02%	0.02%

Notes:

1. Restricted awards were granted under the 2013 Share Award Scheme and the Long Term Incentive Scheme and have been disclosed on page 33 in this Report.
2. 3,621,873 shares are in the form of convertible bonds due 2016 at nominal value of US\$3,350,000, held by a Trust named Bentley Trust (Malta) Limited, of which Mr. Turnbull is the founder.
3. Mr. Berglund's interest includes 421,651 shares held in the form of convertible bonds due 2016 at nominal value of US\$390,000.
4. 2,309,528 shares are held via Paulatim Investments Limited which is jointly owned by Mr. Broomhead and his wife, of which 1,297,387 shares are in the form of convertible bonds due 2016 at nominal value of US\$1,200,000 and 316,437 shares are in the form of convertible bonds due 2018 at nominal value of US\$200,000.
5. Mr. Bradshaw is a shareholder holding 100% and 50% of the issued share capital, respectively, of Cormorant Shipping Limited and Goldeneye Shipping Limited. He beneficially owns 353,241 shares via Cormorant Shipping Limited and is taken to be interested in the 33,176 shares held by Goldeneye Shipping Limited.

All the interests stated above represent long positions. No short positions were recorded in the register maintained by the Company under section 352 of the SFO as at 30 June 2013.

Save as disclosed, at no time during the period was the Company, its subsidiaries, or its associated companies a party to any arrangement to enable the Directors and Chief Executive of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations.

2013 SHARE AWARD SCHEME (“SAS”) AND LONG TERM INCENTIVE SCHEME (“LTIS”)

The Company's LTIS will expire in July 2014 and the Board adopted the SAS on 28 February 2013 to replace the LTIS. This section should be read in conjunction with the section titled “2013 Share Award Scheme” on page 76 of the Company's 2012 Annual Report.

The Board also resolved on 28 February 2013 that no further grants of share options or share awards will be made under the LTIS. However all unvested awards granted under the LTIS shall remain valid until they are fully vested or lapsed in accordance with the rules of the LTIS.

Restricted awards and share options are granted to Executive Directors, senior management and other employees under the above schemes.

Details of the grant of long term incentives and the movements of the outstanding incentives during the six months ended 30 June 2013 under both the SAS and the LTIS on a combined basis are as follows:

(i) HISTORY AND MOVEMENT OF RESTRICTED AWARDS GRANTED

'000 shares/units	Date of first award	Total awarded	Vested to date	At 30 June 2013	At 1 January 2013	Granted during the period	Vested or lapsed	Vested in July 2013	Vesting in July of		
									2014	2015	2016
Directors											
David M. Turnbull	05-Aug-08	2,060	(963)	1,410	965	445	–	313	352	300	445
Mats H. Berglund	01-Jun-12	3,483	(876)	3,483	2,628	855	–	876	876	876	855
Jan Rindbo	11-May-07	4,221	(2,112)	2,557	1,885	672	–	448	503	934	672
Andrew T. Broomhead	11-May-07	2,854	(1,163)	1,995	1,445	550	–	304	377	764	550
Chanakya Kocherla	11-May-07	1,866	(771)	1,278	868	410	–	183	257	428	410
Wang Chunlin (retired)	09-Mar-06	3,176	(1,892)	–	1,284	–	(1,284) ¹	–	–	–	–
		17,660	(7,777)	10,723	9,075	2,932	(1,284)	2,124	2,365	3,302	2,932
Senior Management		3,713	(1,935)	2,122	1,566	556	–	344	449	773	556
Other Employees				21,960	14,975	7,904	(919) ²	3,610	4,628	7,462	6,260
				34,805	25,616	11,392	(2,203)	6,078	7,442	11,537	9,748

Notes:

- 1,284,000 shares lapsed following Mr. Wang's retirement on 19 April 2013.
- 688,000 shares vested due to the passing away of two employees and 231,000 shares lapsed due to resignation of three employees during the period.

The closing price of the shares of the Company immediately before the grant of 11,392,000 restricted awards on 15 March 2013 was HK\$4.80.

(ii) SHARE OPTIONS

Share options were granted on 14 July 2004 under the LTIS at an exercise price of HK\$2.5 per share. As at 1 January 2013 and 30 June 2013, 400,000 fully vested share options of Other Employees had not been exercised.

Based on a report prepared by Watson Wyatt Hong Kong Limited, the fair market values of the share options granted on 14 July 2004 based on the binomial option pricing model for the exercise period from 14 July 2005 to 13 July 2014 is HK\$0.834 per share option.

Note: Key assumptions included an expected dividend yield of 8% per annum, volatility of the Company's share price of 50% per annum, a risk-free rate of interest of 4% and 4.1% per annum on the respective grant dates, that the employees will exercise their share options if the share price is 100% above the exercise price, and an expected rate of leaving service of eligible employees after the vesting date of 0.4% per annum.

Save as disclosed above, no right to subscribe for the securities of the Company nor its associated corporations within the meaning of the SFO, has been granted by the Company to, nor have any rights been exercised by, any person during the period.

OTHER INFORMATION CONTINUED

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that, as at 30 June 2013, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital:

Name	Capacity/ Nature of interest	Long/Short Position	Number of Shares	Approximate percentage of the issued share capital of the Company	
				30 June 2013	31 Dec 2012
Aberdeen Asset Management Plc and its Associates (together the "Group") on behalf of accounts managed by the Group	Investment manager	Long	347,618,536	17.95%	16.02%
Canadian Forest Navigation Co. Ltd./ Compagnie De Navigation Canadian Forest Ltee. ¹	Beneficial owner and Interest in corporation controlled	Long	252,703,500	13.05%	13.05%
Michael Hagn	Interest in corporation controlled	Long	252,703,500	13.05%	13.05%
Mihag Holding Ltd.	Interest in corporation controlled	Long	252,703,500	13.05%	13.05%
Total Investments Inc.	Interest in corporation controlled	Long	103,256,654	5.33%	5.33%
Total Banking Corporation	Beneficial owner	Long	103,256,654	5.33%	5.33%
JP Morgan Chase & Co. ²	Beneficial owner, Investment manager and Custodian corporation/ approved lending agent	Long Short Lending Pool	117,389,743 1,000,000 96,664,854	6.06% 0.05% 4.99%	6.99% 0.23% 5.89%
Mondrian Investment Partners Limited	Investment manager	Long	115,813,000	5.98%	6.01%

(1) The shares held by Canadian Forest Navigation Co. Ltd./Compagnie De navigation Canadian Forest Ltee are held in the capacities of Beneficial owner (relating to 149,446,846 shares) and Interest in corporation controlled (relating to 103,256,654 shares).

(2) The long position in shares held by JP Morgan Chase & Co. is held in the capacities of Beneficial owner (relating to 14,689,800 shares), Investment manager (relating to 6,035,089 shares) and Custodian corporation/approved lending agent (relating to 96,664,854 shares).

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at 30 June 2013, no other person (other than a Director or Chief Executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO.