

SWISSCO INTERNATIONAL LIMITED

Company Reg. No.: 200401051D
(Incorporated in the Republic of Singapore)

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of the Company will be held at 9 Pandan Road, Singapore 609257 on 29 April 2008 at 10.00 a.m. for the purpose of transacting the following businesses: -

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31 December 2007 together with the Auditors' Report thereon. **Resolution 1**
2. To consider and if thought fit, to pass the following resolution:
"That pursuant to Section 153(6) of the Companies Act, Chapter 50, Mr Yeo Chong Lin be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting." **Resolution 2**
3. To re-elect Mr Phillip Chan Yee Foo, a Director who is retiring pursuant to Article 87 of the Company's Articles of Association. [(see *Explanatory Notes I (a)*] **Resolution 3**
4. To re-elect Mr Kwah Thiam Hock, a Director who is retiring pursuant to Article 94 of the Company's Articles of Association. [(see *Explanatory Notes I (b)*] **Resolution 4**
5. To approve the proposed payment of a final dividend of 0.2 cents per ordinary share (tax exempt 1-tier) for the year ended 31 December 2007. **Resolution 5**
6. To approve the proposed payment of a special final dividend of 0.8 cents per ordinary share (tax exempt 1-tier) for the year ended 31 December 2007. **Resolution 6**
7. To approve the Directors' fees of S\$167,700 for the year ended 31 December 2007. (2006: S\$129,700) **Resolution 7**
8. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. **Resolution 8**
9. To transact any other business of the Company which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolutions:

10. "That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited, the Directors be and are hereby authorised to allot and issue shares and/or convertible securities in the Company (whether by way of bonus issue, rights issue or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that:
 - (i) the aggregate number of shares and/or convertible securities to be issued pursuant to this Resolution does not exceed 50% of the total number of issued shares in the capital of the Company, excluding

treasury shares, if any, of which the aggregate number of shares and/or convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares in the capital of the Company, excluding treasury shares, if any.

- (ii) for the purpose of determining the aggregate number of shares and/or convertible securities that may be issued under (i) above, the percentage of the number of shares to be issued shall be based on the total number of issued shares in the capital of the Company, excluding treasury shares, if any, at the time this Resolution is passed, after adjusting for
 - (a) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards that are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of shares; and
- (iii) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." [see *Explanatory Note II*]

- 11. "That approval be and is hereby given to the Directors and any committee appointed by them to offer and grant, on the terms of and pursuant to the Rules of the Swissco Share Option Scheme (the "Share Option Scheme") to Mr Yeo Chong Lin, options under the Share Option Scheme to subscribe for 500,000 ordinary shares in the capital of the Company ("Shares") at a subscription price equal to the average of the last dealt prices for a share for the five (5) consecutive market days immediately preceding the latest practicable date prior to the date of the notice of this Annual General Meeting (subject to any adjustments that may be required under Rule 12 of the Share Option Scheme)". [see *Explanatory Notes III (b)*]. **Resolution 10**
- 12. "That approval be and is hereby given to the Directors and any committee appointed by them to offer and grant, on the terms of and pursuant to the Rules of the Share Option Scheme to Mr Alex Yeo Kian Teong, options under the Share Option Scheme to subscribe for 500,000 ordinary shares in the capital of the Company ("Shares") at a subscription price equal to the average of the last dealt prices for a share for the five (5) consecutive market days immediately preceding the latest practicable date prior to the date of the notice of this Annual General Meeting (subject to any adjustments that may be required under Rule 12 of the Share Option Scheme)." [(see *Explanatory Notes III(c)*)] **Resolution 11**
- 13. "That the participation in the Share Option Scheme by Mr Yeo Chong Boon, an associate of Mr Yeo Chong Lin, a Controlling Shareholder of the Company (as defined in the Share Option Scheme) since 2005 be and is hereby approved and ratified" [(see *Explanatory Notes III(a) and (d)*)] **Resolution 12**
- 14. "That contingent upon the passing of Ordinary Resolution 12 above, the grant of the following options to Mr Yeo Chong Boon on the terms of and pursuant to the Rules of the Share Option Scheme at a subscription price equal to the average of the last dealt prices for a share for the five (5) consecutive market days immediately preceding the latest practicable date prior to the date of the grant of options (subject to any adjustments that may be required under Rule 12 of the Share Option Scheme) before such grants in 2005, 2006 and 2007 be **Resolution 13**

hereby approved and ratified " [(see Explanatory Notes III (d)]

Name of Associate	No of options granted in 2005	No of options granted in 2006	No of options granted in 2007
Yeo Chong Boon	50,000	100,000	100,000

15. "That, contingent upon the passing of Ordinary Resolution 12 above, approval be and is hereby given to the Directors and any committee appointed by them to offer and grant, on the terms of and pursuant to the Rules of the Share Option Scheme to Mr Yeo Chong Boon, an associate of Mr Yeo Chong Lin who is the controlling shareholder of the Company, options under the Share Option Scheme to subscribe for 100,000 ordinary shares in the capital of the Company ("Shares") at a subscription price equal to the average of the last dealt prices for a share for the five (5) consecutive market days immediately preceding the latest practicable date prior to the date of the notice of this Annual General Meeting (subject to any adjustments that may be required under Rule 12 of the Share Option Scheme)." [(see Explanatory Notes III (e)] **Resolution 14**

16. "That the directors be and are hereby authorised to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Swissco Share Option Scheme (the "Share Option Scheme"), provided always that the aggregate number of shares to be issued pursuant to the Share Option Scheme shall not exceed fifteen percent (15%) of the total number of issued shares in the capital of the Company, excluding treasury shares, if any, from time to time."[(see Explanatory Note III (f)] **Resolution 15**

By Order of the Board
Tan Ching Chek and Lo Swee Oi
Joint Company Secretaries
11 April 2008

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on **30 May 2008**, for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, B.A.C.S. Private Limited, 63 Cantonment Road Singapore 089758 up to the close of business at 5:00 p.m. on **29 May 2008** will be registered to determine shareholders' entitlement to the proposed dividends. The dividends, if approved, will be paid on 12 June 2008 to shareholders registered in the books of the Company on **29 May 2008**.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said dividends will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

I Explanatory Notes to Ordinary Business to be transacted: -

SGX-ST takes no responsibility for the correctness of any of the statements made or opinions expressed in these explanatory notes

- (a) Mr Phillip Chan Yee Foo, the Chairman of the Nominating Committee and member of the Audit and Remuneration Committees will continue in office as Chairman of the Nominating Committee and member of the Audit and Remuneration Committees upon his re-election as a Director of the Company and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of The Singapore Exchange Securities Trading Limited.
- (b) Mr Kwah Thiam Hock, the Chairman of the Audit Committee and a member of the Remuneration Committee will continue in office as Chairman of the Audit Committee and a member of the Remuneration Committee upon his re-election as a Director of the Company and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of The Singapore Exchange Securities Trading Limited.

II Explanatory Notes to in relation to Ordinary Resolution 9: -

SGX-ST takes no responsibility for the correctness of any of the statements made or opinions expressed in these explanatory notes

The Ordinary Resolution No 9 if passed, will empower the Directors of the Company to issue shares in the capital of the Company up to an amount not exceeding in aggregate fifty percent (50%) of the total number of issued shares in the capital of the Company, excluding treasury shares, if any, at the time of the passing of this resolution, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty percent (20%) of the total number of issued shares in the capital of the Company, excluding treasury shares, if any.

III Explanatory Notes to Special Business to be transacted via Resolutions 10-15 in relation to Company's Share Option Scheme:-

SGX-ST takes no responsibility for the correctness of any of the statements made or opinions expressed in these explanatory notes

- (a) Information on the Rules of the Share Option Scheme and rationale for the grant of options to the Controlling Shareholders and their associates

Under the Rules of the Share Option Scheme, persons who are Controlling Shareholders of the Company or their associates shall participate in the Scheme provided that:

- (i) written justification have been provided to the shareholders for their participation at the introduction of the Scheme or prior to the first grant of options offered to them;
- (ii) their participation and the actual number and terms of any option to be granted to them have been specifically approved by shareholders of the Company who are not beneficiaries of the grant in a general meeting in separate resolutions for each such Controlling Shareholder or their associates; and
- (iii) all conditions for their participation in the Share Option Scheme, ("Scheme") as may be required by the regulation of the SGX-ST from time to time are satisfied.

The total number of shares as per the Scheme ("Scheme Shares") to be offered to Controlling Shareholders and their associates shall not during the entire operation of the Scheme exceed twenty-five percent (25%) of the limit specified under the Scheme ("Scheme Limit") and the total number of shares to be offered to a participant who is a Controlling Shareholder or associate shall not during the entire operation of the Scheme exceed ten percent (10%) of the Scheme Limit.

Amongst other issues, Rule 12 of the Share Option Scheme also takes into account situations occurring, due to variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, or distribution or other howsoever) where the Committee under the Share Option Scheme may determine that an adjustment may be needed to the subscription price for the Scheme Share or number of Scheme Shares comprised in an option to the extent they are unexercised or the maximum number of Shares over which options may be granted under the Share Option Scheme in any one financial year. The manner in which the adjustment is to be made is also detailed in the Share Option Scheme.

Details of the options granted to the controlling shareholders, namely, Mr Yeo Chong Lin and Mr Alex Yeo Kian Teong, to subscribe for ordinary shares in the Company pursuant to the Share Option Scheme as at 31 December 2007 are as follows:

Name of Controlling Shareholders	Options granted during financial year	Aggregate options granted since commencement of Scheme to end of financial year	Aggregate options exercised since commencement of Scheme to end of financial year	Aggregate options outstanding as at end of financial year **	Subscription price**
Yeo Chong Lin	500,000	1,300,000	800,000 (300,000 at S\$0.244 and 500,000 at S\$0.44)	500,000	S\$0.678
Alex Yeo Kian Teong	500,000	1,300,000	800,000 (300,000 at S\$0.244 and 500,000 at S\$0.44)	500,000	S\$0.678

** any unexercised option shares are subject to appropriate adjustments that may be made under Rule 12 of the Share Option Scheme of which the relevant participants in the Share Option Scheme will be notified at the relevant date in accordance with the Share Option Scheme.

Assuming that Mr Yeo Chong Yin and Mr Alex Yeo Kian Teong have exercised all their outstanding options as at end of financial year, their direct and deemed interests in the Company would be as follows:

Name	Direct Interest		*Deemed Interest	
	Number of Shares	Percentage (#)	Number of Shares	Percentage(#)
Yeo Chong Lin	1,000,000@	0.56	98,160,725	54.61
Alex Yeo Kian Teong	1,500,000+	0.83	98,160,725	54.61

*Deemed interest is held through Yeo Holdings Private Limited.

#The Company's issued and paid up capital as at 3 March 2008 is 178,757,925 ordinary shares. The above percentage is calculated based on the enlarged capital of 179,757,925 ordinary shares assuming the outstanding options of both Mr Yeo Chong Lin and Mr Alex Yeo Kian Teong are exercised.

@excluding 300,000 ordinary shares (from the 300,000 options exercised) sold in October 2006.

+inclusive of 150,000 ordinary shares and 50,000 ordinary shares bought in open market purchase in 2006 and 2008 respectively.

Details of the options granted to the directors (excluding the above two controlling shareholders) of the Group to subscribe for ordinary shares in the Company pursuant to the Share Option Scheme as at 31 December 2007 are as follows:

Name of Directors	Options granted during financial year	Aggregate options granted since commencement of Scheme to end of financial year	Aggregate options exercised since commencement of Scheme to end of financial year	Aggregate options outstanding as at end of financial year **	Subscription price**
Phillip Chan Yee Foo	100,000	280,000	180,000 (80,000 at S\$0.256 and 100,000 at S\$0.39)	100,000	S\$0.587
***Dr Chiang Hai Ding	100,000	280,000	180,000 (80,000 at S\$0.256 and 100,000 at S\$0.39)	100,000	S\$0.587
***Rohan Kamis	100,000	280,000	180,000 (80,000 at S\$0.256 and 100,000 at S\$0.39)	100,000	S\$0.587

Name of Directors	Options granted during financial year	Aggregate options granted since commencement of Scheme to end of financial year	Aggregate options exercised since commencement of Scheme to end of financial year	Aggregate options outstanding as at end of financial year **	Subscription price**
Fong Hin Tat	50,000	50,000	Nil	50,000	S\$0.587

** any unexercised option shares which are subject to appropriate adjustments that may be made under Rule 12 of the Share Option Scheme of which the relevant participants in the Share Option Scheme will be notified at the relevant date in accordance with the Share Option Scheme.

*** Dr Chiang Hai Ding and Mr Rohan Kamis had resigned as directors of the Company with effect from 10 March 2008.

Details of the options already granted to Mr Yeo Chong Boon, an associate of the controlling shareholder Mr Yeo Chong Lin of the Group to subscribe for ordinary shares in the Company pursuant to the Share Option Scheme since 2005 are as follows:

Name of Associate	No of options granted in 2005	No of options granted in 2006	No of options granted in 2007
Yeo Chong Boon	50,000	100,000	100,000

Details of the options granted to subscribe for ordinary shares in the Company pursuant to the Share Option Scheme are as follows:

Date of Grant	No. of Options granted	Balance as at 31.12.06	Exercised	Lapsed	Balance not exercised as at 31.12.07 **	Subscription price**
15.03.05	565,000	180,000	130,000	-	50,000	S\$0.256
29.04.05	600,000	300,000	300,000	-	-	S\$0.244
15.03.06	1,050,000	1,050,000	950,000	-	100,000	S\$0.390
28.04.06	1,000,000	1,000,000	1,000,000	-	-	S\$0.440
15.03.07	900,000	Na	-	100,000	800,000	S\$0.587
27.04.07	1,000,000	Na	-	-	1,000,000	S\$0.678
Total	5,115,000	2,530,000	2,380,000	-	1,950,000	

** any unexercised option shares which are subject to appropriate adjustments that may be made under Rule 12 of the Share Option Scheme of which the relevant participants in the Share Option Scheme will be notified at the relevant date in accordance with the Share Option Scheme.

- (b) (i) The participation of Mr Yeo Chong Lin in the Share Option Scheme has been approved by the shareholders at the Annual General Meeting held on 29 April 2005. The Ordinary Resolution 10, if passed, will empower the Directors to grant options to Mr Yeo Chong Lin, on the terms of and pursuant to the Rules of the Share Option Scheme to subscribe for 500,000 ordinary shares in the capital of the Company. The basis for the participation and the grant of options to Mr Yeo Chong Lin under the Share Option Scheme has been provided in the Prospectus dated 3 November 2004 ("the Prospectus"). A copy of the Prospectus may be inspected at the registered office of the Company at 9 Pandan Road Singapore 609257 during normal business hours from the date hereof up to and including the date of the Annual General Meeting ("AGM"). The relevant extract from the Prospectus is reproduced below for convenience of reference.

"Mr Yeo Chong Lin is the Executive Chairman of the Company and has been responsible for the overall management, strategic planning and direction of the Group since taking over the helm of the then sole proprietorship in 1972. Mr Yeo Chong Lin has been with the Group ever since, and has played a pivotal role in steering the growth of the Group with his 36 years of experience in the marine logistics industry. He has ably led the Group by exploiting its first mover advantage in meeting the growing need for marine logistics by shipping lines in this region and building up a good track record and reputation of the Company.

Mr Yeo Chong Lin was one of the pioneers in the marine logistics business. He has in-depth knowledge of the needs of the business as it evolved over the years. His ability to anticipate business trends and demand has enabled the Group to offer the right type of vessels to customers when they are needed. In particular, this is important to the offshore support industry as under its present market practice, marine logistics providers must have the right type of offshore support vessels available before they are qualified to tender for a charter or supply contract.

Mr Yeo Chong Lin also successfully implemented a strategy to provide a comprehensive range of services to meet all the customers' marine support and logistic needs at competitive terms, with prompt, reliable and efficient service at all times. The range of services available to the Group's customers includes the provision of ship repair and ship maintenance services.

Mr Yeo Chong Lin was responsible for the establishment of the business and has been the face of the Company to its customers and suppliers and is synonymous with the name of Swisso in the industry. Mr Yeo Chong Lin continues to play an instrumental role in charting the Group's expansion and business development plans."

(ii) In recognition of his efforts and contribution in steering the Group to another year of good profits and improving the Group's net profit from operations (i.e. excluding the gain from restructuring/dilution of associate) from S\$10.2m in FY2006 to S\$15.3m in FY2007 and to further motivate him to create value for shareholders, the Company is proposing to grant an option to Mr Yeo Chong Lin to subscribe for 500,000 ordinary shares in the capital of the Company ("Shares") at a subscription price equal to the average of the last dealt prices for a share for the five (5) consecutive market days immediately preceding the latest practicable date prior to the date of the notice of this AGM or subject to any adjustments that may be required under Rule 12 of the Share Option Scheme.

(iii) As the proposed Ordinary Resolution 10 relates to the authorisation for the Company to grant option to Mr Yeo Chong Lin, the latter and his associates will abstain from voting on this resolution at the AGM and shall decline any appointment as proxies for shareholders to vote on this resolution unless the shareholders concerned have given specific instructions in their respective proxy forms as to the manner in which their votes are to be cast in respect of this resolution. Shareholders who are eligible to participate in the Share Option Scheme will abstain from voting on this resolution.

- (c) (i) The participation of Mr Alex Yeo Kian Teong in the Share Option Scheme has been approved by the shareholders at the Annual General Meeting held on 29 April 2005. The Ordinary Resolution 11, if passed, will empower the Directors to grant options to Mr Alex Yeo Kian Teong, on the terms of and pursuant to the Rules of the Share Option Scheme to subscribe for 500,000 ordinary shares in the capital of the Company. The basis for the participation and grant of options to Mr Alex Yeo Kian Teong under the Share Option Scheme has been provided in the Prospectus dated 3 November 2004. A copy of the Prospectus may be inspected at the registered office of the Company at 9 Pandan Road, Singapore 609257 during normal business hours from the date hereof up to and including the date of the AGM. The relevant extract from the Prospectus is reproduced below for convenience of reference.

"Mr Alex Yeo Kian Teong is the Chief Executive Officer of the Company. Mr Alex Yeo Kian Teong joined the Company in 1992 after he completed his undergraduate study for a Bachelor of Science in Business Administration from the University of San Francisco and his national service. He has been with the Group for 17 years and has been responsible for identifying reliable and capable partners to team up with them to manage the overseas operations. Together with the Executive Chairman Mr Yeo Chong Lin, their experience in this industry enables them to identify the growth opportunities available in the region and to team up with like-minded business partners to jointly capitalise on these opportunities.

His in-depth knowledge of market trends and conditions is instrumental in expanding the Group's market coverage beyond the Singapore market to include Malaysia and Indonesia.

In his role as Chief Executive Officer, Mr Alex Yeo Kian Teong is responsible for business growth and corporate development of the Group. He is also responsible for the effective management of the Group's regional operations, business relations with the suppliers and shipbuilders, networking with major industry players such as ship owners, oil and gas offshore

operators, and other marine logistics providers. Through his contacts, he will also be on the lookout for new innovative services and facilities to incorporate into the Group's activities."

(ii) In recognition of his efforts, performance and contribution in leading the Group to another year of good profits and improving the Group's net profit from operations (i.e. excluding the gain from the restructuring/dilution of associate) from S\$10.2m in FY2006 to S\$15.3m in FY2007 and to further motivate him to maintain high level of performance with a view to achieving long term growth for the Group, the Company is proposing to grant an option to Mr Alex Yeo Kian Teong to subscribe for 500,000 ordinary shares in the capital of the Company ("Shares") at a subscription price equal to the average of the last dealt prices for a share for the five (5) consecutive market days immediately preceding the latest practicable date prior to the date of the notice of this AGM or subject to any adjustments that may be required under Rule 12 of the Share Option Scheme.

(iii) As the proposed Ordinary Resolution 11 relates to the authorisation for the Company to grant options to Mr Alex Yeo Kian Teong, the latter and his associates will abstain from voting on this resolution at the AGM and shall decline any appointment as proxies for shareholders to vote on this resolution unless the shareholders concerned have given specific instructions in their respective proxy forms as to the manner in which their votes are to be cast in respect of this resolution. Shareholders who are eligible to participate in the Share Option Scheme will abstain from voting on this resolution.

(d) (i) The Company had not secured the prior approval of the independent shareholders for the participation of Mr Yeo Chong Boon (an employee of a subsidiary of the Company), an associate of Mr Yeo Chong Lin who is a controlling shareholder of the Company, in the Share Option Scheme since 2005. Consequently, the Company had not secured the prior approval of the independent shareholders for the grant of options and terms for such options granted since 2005 at the relevant Annual General Meetings, due to administrative oversight in failing to include a separate resolution seeking the independent shareholders' approval for his participation and the grant (as applicable) in the relevant notices of annual general meetings held since 2005. His multiple roles and participation eligibility under the Share Option Scheme, namely, as an employee/a manager/an associate of a controlling shareholder contributed to the oversight by the respective officer of the Company in-charge of reviewing documents in relation to any grant of share options under the Share Option Scheme. However, the Company confirms that the Remuneration Committee/Board had approved the participation and the grant of the share options to Mr Yeo Chong Boon each year since 2005. The Ordinary Resolutions 12 and 13, if passed, would approve and ratify the participation of Mr Yeo Chong Boon in the Share Option Scheme and also approve and ratify the past grant of options to Mr Yeo Chong Boon since 2005 at the relevant subscription price (subject to any adjustments that may be required under Rule 12 of the Share Option Scheme) the options were granted. Mr Yeo Chong Boon is the brother of Mr Yeo Chong Lin and uncle of Mr Alex Yeo Kian Teong. Their relationship had been disclosed in the Prospectus and the Company's Annual Reports.

(ii) The basis for the participation of Mr Yeo Chong Boon in the Share Option Scheme had been provided in the Prospectus dated 3 November 2004 ("the Prospectus") in the section titled ("Participation of Controlling Shareholders and their associate"). A copy of the Prospectus may be inspected at the registered office of the Company at 9 Pandan Road Singapore 609257 during normal business hours from the date hereof up to and including the date of this AGM. The relevant extract from the Prospectus is reproduced below for convenience of reference.

"It is the intention of our Company that employees who are Controlling Shareholders or associates of Controlling Shareholders should be remunerated for their contribution to the Group on the same basis as other employees who are not Controlling Shareholders or their associates. Although the Controlling Shareholders and their associates already have shareholding interests in our Company, the extension of the Scheme to allow the Controlling Shareholders and their associates to participate in the Scheme, will ensure that they are equally entitled, with the other employees who are not Controlling Shareholders or their associates, to take part and benefit from this system of remuneration. The Scheme is intended to be part of a system of remuneration for employees and our Company is of the view that employees who are Controlling Shareholders or associates of Controlling Shareholders should not be unduly discriminated against by virtue only of their shareholding in our Company. Our Company is also of the view that the extension of the Scheme to Controlling Shareholders and their associates will enhance the long-term commitment of the Controlling Shareholders and associates to our Company as it will ensure that such Controlling Shareholders and associates will continue to have a stake in our Company even if they sell down their Shares in our Company in the future to take their capital gains.

The participation by the Controlling Shareholders and their associates in the Scheme gives our Company an additional tool at its disposal to craft a more balanced and innovative overall remuneration package and more flexibility in determining the best method of remuneration which would link the employees' total remuneration to the results of our Company, which would in turn increase shareholder value of our Company. For example, our Company may include the Options (taking into account their intrinsic value) within the fee-based remuneration, or as an additional form of compensation in lieu of increasing the cash remuneration of the Controlling Shareholders or their associates. The grant of Options to Controlling Shareholders and their associates will act as an incentive for the Controlling Shareholders and associates, who are employees of our Group, to better their performance as the value of the Options will be best realised when the result of their performance correlate directly with higher values of our Shares.

Our Directors are of the view that the participation in the Scheme by the Controlling Shareholders and their associates is in the best interests of our Company as such Controlling Shareholders and their associates are able to set the direction of our Company, define objectives and roles of management and influence decisions made by our Company and thus stand in a unique position to contribute to the growth and prosperity of our Group."

(iii) A specific rationale for the participation of the Mr Yeo Chong Boon, as an associate of a controlling shareholder and as an employee of the subsidiary of the Company (Swissco Offshore (Pte) Ltd) in the Share Option Scheme is further provided herein for the sake of clarity.

(iv) Mr Yeo Chong Boon was recently promoted to the position of General Manager (Operations) of Swissco Offshore on 1 March 2007. He is in charge of co-ordinating the movement of vessels, updating of vessel documentation, and crew management. Prior to his promotion, he had been working as Senior Operations Manager of Swissco Offshore (Pte) Ltd since 1 January 2004. His responsibility then, included coordinating the movement of vessels, updating vessels' documents, communicating with the crew with regards to instructions from clients, checking on compliance with the various authorities and co-ordinating the daily requirements of the vessels and crew matters.

(v) Mr Yeo Chong Boon joined the Group in 1975 as a shipping executive and his responsibilities then were to co-ordinate the ship supply section and logistics and freight forwarding. By 1990, the Company began branching out into supply vessels and Out-Port-Limit business. Mr Yeo Chong Boon has since then been in charge of this aspect of the business of Swissco Offshore. His performance and leadership role in the last few years has directly contributed to the growth of the Group. His in-depth knowledge of market trends and conditions was instrumental in expanding the Group's market coverage.

(vi) In recognition of his efforts, long term commitment to the Group, knowledge and contribution to the growth of the Group for the financial years ended 31 December 2005, 31 December 2006 and 31 December 2007 and to further motivate him to contribute to the growth and development of the Group, the Company recommends the independent shareholders to consider approving and ratifying the options granted since 2005 to Mr Yeo Chong Boon at the relevant subscription price under which the options were granted subject to any adjustments that may be required under Rule 12 of the Share Option Scheme.

(vii) Moreover, the Company, has provided special instructions to its Administrative Department and Company Secretary to adopt an internal procedure dealing specifically with the administration of the Share Option Scheme.

(viii) As the proposed Ordinary Resolutions 12 and 13 relate to the approval and ratification of Mr Yeo Chong Boon's participation in the Share Option Scheme and the approval and ratification of the grant of options and term of such options to him, Mr Yeo Chong Lin and Mr Alex Yeo Kian Teong, the Controlling Shareholders of the Company and Mr Yeo Chong Boon will abstain from voting on this resolution at the AGM and shall decline any appointment as proxies for shareholders to vote on this resolution unless the shareholders concerned have given specific instructions in their respective proxy forms as to the manner in which their votes are to be cast in respect of this resolution. Shareholders who are eligible to participate in the Share Option Scheme will also abstain from voting on these resolutions.

(e) (i) Assuming that the Ordinary Resolution 12 is passed and the participation of Mr Yeo Chong Boon is approved and ratified, the Ordinary Resolution 14, if passed, will empower the

Directors to grant options to Mr Yeo Chong Boon, an associate of Mr Yeo Chong Lin who is a Controlling Shareholder of the Company, on the terms of and pursuant to the Rules of the Share Option Scheme to subscribe for 100,000 ordinary shares in the capital of the Company at a subscription price equal to the average of the last dealt prices for a share for the five (5) consecutive market days immediately preceding the latest practicable date prior to the date of the notice of this AGM or subject to any adjustments that may be required under Rule 12 of the Share Option Scheme. The basis for the participation and the grant of options to Mr Yeo Chong Boon under the Share Option Scheme has been elaborated in Explanatory Notes III (d) above.

(ii) As the proposed Ordinary Resolution 14 relates to grant of option to Mr Yeo Chong Boon, Mr Yeo Chong Lin and Mr Alex Yeo Kian Teong, the Controlling Shareholders of the Company and Mr Yeo Chong Boon will abstain from voting on this resolution at the AGM and shall decline any appointment as proxies for shareholders to vote on this resolution unless the shareholders concerned have given specific instructions in their respective proxy forms as to the manner in which their votes are to be cast in respect of this resolution. Shareholders who are eligible to participate in the Share Option Scheme will also abstain from voting on this resolution.

- (f) (i) The Ordinary Resolution No 15 if passed, will empower the Directors of the Company to issue shares in the Company pursuant to the exercise of the options under the Swissco Share Option Scheme provided that the aggregate number of shares to be issued does not exceed fifteen percent (15%) of the total number of issued shares in the capital of the Company, excluding treasury shares, if any, at any time. Shareholders who are eligible to participate in the Share Option Scheme will also abstain from voting on this resolution.

The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate and there are no material facts the omission of which would make any statement misleading.

Notes to Proxy Form:

- (i) A member entitled to attend and vote at this meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 9 Pandan Road Singapore 609257 not less than 48 hours before the time set for the meeting.
- (iii) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.
- (iv) In the case of joint shareholders, all holders must sign the form of proxy.