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Private & Confidential

By Registered Post

10 March 2008

Swissco International Limited
9 Pandan Road
Singapore 609257

Attn: The Board of Directors

Gentlemen,

This letter serves as my formal notice of resignation as a Director of the Company. After due consideration of the matters stated below and current on-going situation, I have come to the conclusion that I am unable to properly discharge my role and function of Independent Director of the Company.

As such please accept my resignation with immediate effect.

Background

On Wednesday 27 February 2008, for the first time, the Company conducted all the meetings of the various committees followed by the Board of Directors' meeting. This was in order to finalise and release the company's results.

During that Board of Directors' meeting, I had to withdraw "the confirmation to seek re-election" letter dated 27 February 2008. On further reflection, it is my considered opinion that the only course of action open to me is to resign my directorship with immediate effect.

Events

For the record, I am listing below the events that led me to take this course of action as it would not be possible for me to function as an Independent Director (ID) who subscribes to good corporate governance. As an Independent Director I have a fiduciary duty and responsibility to the Company and all shareholders with particular attention to the rights of the minority shareholders who are otherwise not represented on the Board.

- 1 On Tuesday 15 January 2008 at a lunch meeting I hosted for Swissco CEO Alex Yeo (attended by Dr Chiang Hai Ding), I asked the CEO to check with the Chairman as to whether it was executive management's wish for me to continue for another term as an Independent Director. Dr Chiang who is Chairman of the Nominating Committee (NC) had indicated that there was no reason why I should

not continue. I merely sought this clarification to preclude any public embarrassment that might follow if the majority shareholders voted against my re-election.

- 2 Towards the end of January 2008, CEO came to my office and told me that the Chairman of the Board and majority shareholder did not wish me to continue as an Independent Director for another term. I thanked him for letting me know and I said that I would not seek re-election. However when I offered to formally write to the Company indicating my wish not to seek re-election at the forthcoming AGM, he told me not to do anything until he informed me. He said that he would need to speak to Dr Chiang.

I then waited for further information.

- 3 On Thursday, 21 February 2008 during the lunch function for the delivery of Swissco Scout I was informed by the Chairman's secretary that the Chairman wished to have a private conversation with me.

I thought that the Chairman was going to personally inform me that he did not wish me to continue as an ID (as informed by the CEO). However to my surprise, Chairman said that he was happy with my performance as an ID and wished that I continue for another term as an ID and should therefore seek re-election.

When asked whether I would accept this invitation, I told Chairman that in view of what had been said and the personal invitation, I would be happy to serve for another term.

- 4 On Friday 22 February 2008 at 11:58am, I received an email from the Company Secretary pertaining to my letter seeking re-election as an Independent Director.

In it, the Company Secretary wrote:

We note that you are due for retirement as director at the forthcoming AGM of the Company. We have given (sic) to understand that you would like to seek for re-election as director for another year only. (Emphasis added)

As such, we have prepared the letter seeking re-election accordingly. We attach the said letter for your attention.

Please arrange for the letter to be signed. Thereafter, please fax us the said letter so that we could include it in the papers of the Nominating Committee.

The original letter could be sent to us by post.

On receipt of this email, I spoke to the CEO and gave him my views. Thereafter, I wrote the following email, on 22 February 2008 at 2:33pm, in reply to the Company Secretary:

*We spoke. I have also just spoken to Alex.
There appears to be a miscommunication as Chairman Yeo invited me at yesterday's Swissco lunch function to sit on his board for another term and I have accepted it.
Any deviation from this usual practice would be awkward for both parties. I have asked Alex to clarify the understanding.*

- 5 Pursuant to the Chairman's invitation and my acceptance, I wrote a letter dated 27 February 2008 informing that I would seek re-election and I quote:

*I refer to the forthcoming AGM meeting.
I confirm that I will seek re-election as an Independent Director.*

This letter was given to the NC Chairman and the Company Secretary.

- 6 On Wednesday 27 February 2008, (as mentioned above) several meetings were held at Swissco's premises starting at 9:30am in the following order: -

- 6.1 Meeting of Audit Committee with external auditors without Management
- 6.2 Audit Committee meeting
- 6.3 Nominating Committee meeting
- 6.4 Remuneration Committee meeting
- 6.5 Board of Directors' meeting

During the Board of Directors' meeting after the report of the NC Chairman stating that the NC had considered and recommended the appointment of the three directors (Chairman, Dr Chiang and I) for re-election at the next AGM, Chairman enquired as to what I meant by seeking to stand for one term. I stated that as per the M & A of the company one term is for a three-year period.

Chairman then stated that he wanted me to stand for a one-year term only. I pointed out that this was not in line with the company's M & A or the practice thus far.

On my question as to how the proposed one-year term would operate, Chairman replied that at the end of each year the Chairman (and majority shareholder) would decide and inform me whether he was satisfied with my performance and should the Chairman be dissatisfied, I was to resign. The Chairman then asked me if this was acceptable and if I did not agree, the Chairman wanted his suggestion put to a poll.

I could not comprehend the Chairman's change of mind from the personal invitation made on 21 February 2008.

It now appears to me that the Chairman wished to subject me, an Independent Director to a yearly evaluation by himself with the power to reappoint me (or for me to continue my role as an ID) for another year.



I find this unacceptable as it would affect my role as an Independent Director with my attendant fiduciary duty and responsibility to the company for the benefit of all shareholders, in particular the minority shareholders who are otherwise unrepresented on the Board.

Therefore I decided to withdraw my letter seeking re-election which had been filed with the NC that had considered my consent and in turn recommended my re-election to the Board.

Outstanding Matters

I take pride in having discharged my fiduciary duty and responsibility as an ID in line with good corporate governance. My performance as Chairman of the Audit Committee and members of the Remuneration Committee and Board of Directors is well documented in the minutes of the various meetings. Nonetheless there are still two important matters that are as yet unresolved. I believe that the company should consider these matters carefully:

1 CFO

The recruitment of an experienced and competent CFO to help improve the quality and timeliness of our budgetary controls and financial reporting system especially with the company's recent upgrade to the main board which necessitates quarterly reporting. This matter has been long overdue though it has been discussed on several occasions by the Audit Committee with the external auditors and which had been endorsed by the Board.

2 The Renewal of the Chairman and the CEO's Service Agreements

The Chairman's Service Agreement was due for renewal early last year (FY 2007). Although I wished to have the bonus element amended then (as clearly recorded in the Remuneration Committee minutes of meeting held on 25 October 2006 and endorsed by the Board of Directors' meeting on 19 December 2006), it was deferred to FY 2008. This deferment of decision making was on the recommendation of the Remuneration Committee Chairman who requested that the review of the Chairman's contract take place at the same time as that of the CEO's remuneration package (which would expire one year later than the Chairman's).

Extract of the minutes of Remuneration Committee meeting on 25 October 2006:

RC/05/29 Renewal of Service Contract for the Executive Chairman

29.1 (B) (i)

Mr Rohan Kamis informed the meeting that there were two clauses in the existing service contract which he felt would seem to be out of alignment with shareholders' interest. ...

29.1 (B) (vii)

On the formula of the Annual Bonus of the Executive Chairman, Mr Rohan Kamis said that it was appropriate based on the existing shareholders' funds. However, it would not be so if the shareholders' funds increase in future years. He suggested that the Company should include a performance indicator in the formula so that the Annual Bonus to be paid to the Executive Chairman would be pegged to the performance of the Group. The performance indicator could be in the form of Return on Investment ("ROI") based on the shareholders' funds.

29.1 (B) (viii)

The Chairman said that the existing bonus formula for key executives was put in place during the Company's IPO. The Chairman said that he was told many companies going IPO then had adopted similar bonus formula. He acknowledged that the present formula was adequate based on the existing size of shareholders' funds of the Company.

However, going forward, Chairman accepted the suggestion of adopting a performance indicator in the bonus formula to take cognizance of the increase of shareholders' funds. It would then align the executives' interests with that of the shareholders in enhancing shareholder value. ...

29.1 (B) (xi)

The meeting agreed that the new formula would apply to all key executives and it would take effect next year upon the expiry of all existing service contracts.

Extract of the minutes of Board of Directors' meeting on 19 December 2006:

09/06/0060 (B) Report by Remuneration Committee

(xi) The Board then accepted the above recommendations of the Remuneration Committee and resolved that:

(a) the Executive Chairman existing service contract be extended from 1 November 2006 to 31 December 2006 and that the renewed service contract be commenced from 1 January 2007 to 31 December 2007;

(b) the new formula for the performance bonus for all key executives be hereby approved and the new formula would take effect next year upon the expiry of all existing service contracts of the key executives;

The minutes of the Board of Directors' meeting of 31 December 2007 records that I recommended a bigger increase in the Executive Directors' monthly salary and car allowance perks than management had recommended because I believed that they were justifiable. However I also recommended that the Executive Directors' productivity bonus scheme be amended to take cognizance of the current financial position of the company so as to be fair and equitable to all shareholders, in particular the minority shareholders. The current formula, which had been extended for one year at the request of the Remuneration Committee Chairman, was formulated before my time and did not take into consideration the size of the

company's shareholders funds that had grown from \$20 million to \$210 million in FY 2007.

A proposal to bring in an external consultant instead of relying on management to recommend their own remuneration package was accepted. This is recorded in the following board minutes.

Extract of the minutes of Board of Directors' meeting on 31 December 2007:

12/07/0085 (I) Service Agreements of Executive Chairman and CEO

(p) The Board then accepted the above recommendations of the Remuneration Committee and resolved that the Service Agreement of the Executive Chairman be renewed for another year from 1 January 2008 to 31 December 2008 and the Service Agreement of the CEO be renewed for another three years from 1 January 2008 to 31 December 2010. The renewed Service Agreements would incorporate the requested data to be furnished by management to the Remuneration Committee for review and consideration. It was noted that Mr Yeo Chong Lin and Mr Alex Yeo abstained from taking part in the deliberation and decision on all matters relating to their respective renewed Service Agreements including the approval and renewal of their respective Service Agreements.

On 28 January 2008 at 10:45am, I queried by email asking for the details of the proposed changes to Executive Directors' Service Contracts with effect 1 January 2008 that were given to the Remuneration Committee for our consideration and I quote:

These documents do not include the major item we have been discussing for a long time. The productivity incentive bonus scheme is not based to the total capital employed as agreed by the RC. Are there extra documents and information pending?

The Finance Manager responded in an email dated 28 January 2008 at 11:16am as follows:

Dear Members of RC,

The management and shareholders are keen to continue with the existing plan.

This goes against the letter and the spirit of what the Remuneration Committee recommended to the Board which the Board accepted.

I trust that the Company will resolve this issue expeditiously.

It has been until the recent events, a pleasure serving the Company. I trust that my resignation will be accepted and recorded expeditiously. In the event of any queries relating to my resignation, please release this letter. I shall make known the content of this letter (and indeed the letter itself), if queried.

Yours sincerely



Rohan Kamis
Independent Director
Chairman, Audit Committee
Member, Remuneration Committee
Swissco International Limited

Cc

Mr Yeo Chong Lin
Chairman, Swissco International Limited

Mr Alex Yeo
CEO, Swissco International Limited

Dr Chiang Hai Ding
Chairman, Nominating Committee

Mr Philip Chan
Chairman, Remuneration Committee

Capt James Fong
Independent Director

Ms Tan Ching Chek
Company Secretary