
CLARIFICATION ON THE RECENT RESIGNATION OF TWO OF OUR INDEPENDENT DIRECTORS

The Board of Directors ("Board") of Swissco International Limited (the "Company") refers to its announcement dated 13 March 2008 ("Announcement") in respect of the resignation of Dr Chiang Hai Ding and Mr Rohan Kamis, the then Independent Directors of the Company ("Former Independent Directors").

In response to a request to clarify earlier announcement, the Company wishes to provide further clarification on the events and circumstances leading to the resignation of the Former Independent Directors. The Former Independent Directors' resignation letters ("Resignation Letters") are attached to this announcement as they set out in detail the individual circumstances of the Former Independent Directors in respect of their resignations.

As it relates to the some of the points mentioned in the Resignation Letters, the Board would like to take the opportunity to state its position on the following:

Retirement status of the Former Independent Directors

Dr Chiang Hai Ding was due to retire at the forthcoming Annual General Meeting ("AGM") and could only seek re-appointment for a term of one-year as he would be 70 years of age pursuant to Section 153 of the Companies Act, Chapter 50. Mr Rohan Kamis was also due to retire by rotation pursuant to Article 87 of the Company's Articles of Association at the forthcoming AGM.

Major Shareholder of the Company

As the Chairman of the Board is also the major shareholder of the Company, consultation of the Chairman of the Board has always been in respect of his capacity as the major shareholder. The consultation of the major shareholder is useful in instances where board decisions will ultimately be put to a shareholder vote. As such, such consultations serve as a useful barometer on shareholder sentiment.

Board Renewal Process

A Board renewal process was adopted in 2006 to take effect from 2008. The rationale for such a process was to inject fresh and new ideas from time to time and to bring in different skill sets required at different stages of the Company's growth and development. This would enable the Company to remain dynamic. On that basis, the Board will be looking to be guided by the following principles on the appointment of members to the Board:-

- (a) The composition of the Board should remain small but adequate so as to be effective and to avoid unproductive conflicting opinions.
- (b) The Board should comprise directors who are able to devote adequate time and effort and to provide appropriate guidance to the management. An annual evaluation of performance of individual directors should be considered.
- (c) The tenure of each director should not be less that two years and not more than five years. Exceptions may be made only under special circumstances.
- (d) The Company should review annually the skill sets required and then proceed to identify appropriate individuals with such skill sets to invite them to sit on the Board.

Recruitment of additional staff for the Company's finance department

In light of the recent growth and transfer of the Company onto the main board of SGX, the Board would be recruiting additional staff in the finance department including selecting an experienced and competent Chief Financial Officer. This appointment is a high level appointment which entails responsibility for treasury and funds management; developing and directing financial strategy, planning and forecast, supervise investments and fund raising for expansion, analyzing trends and opportunities for expansion and projection of the Company's future growth etc. The Board had previously agreed to such a move and had agreed to commence identifying suitable candidate.

Renewal of service agreements of the key executives of the Company

The Board had previously recommended that the Company engage external consultants in the preparation of service agreements for the key executives as they are due for renewal. The Company will be considering the inclusion of performance measurement in the formula for performance bonus of the key executives. An external consultant has been appointed and has commenced the review of the service agreements.

By Order of the Board
Tan Ching Chek
Company Secretary
31 March 2008