NEW SILKROUTES GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400571K)
(the "**Company**")

APPOINTMENT OF INDEPENDENT REVIEWER

The Board of Directors (the "**Board**") of the Company refers to the Company's announcement dated 28 October 2020 pursuant to which the Board announced that it will be appointing an independent public accounting firm to conduct an independent review into certain matters.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meanings ascribed to them in the announcement dated 28 October 2020.

The Board wishes to update shareholders that it has appointed KPMG Services Pte. Ltd. ("**KPMG**") as the independent reviewer to carry out an independent review ("**Independent Review**") based on the scope of work which has been reviewed by the Singapore Exchange Regulation (the "**SGX RegCo**").

The scope of work of the Independent Review includes, *inter alia*:

a. establish the chronology of events, facts and circumstances surrounding the negotiation and signing of the Management Service Agreement and the Management Agreement, receipt of the Consideration in Singapore, the Group's placement and acquisition of Shanghai Fengwei, the Group's due diligence and internal deliberation leading to the execution of the Management Service Agreement and the Management Agreement, payments to the Entity and the Group's use of the Consideration received pursuant to the Management Agreement;

b. establish the identities of the parties involved and the relationships between them, if any;

c. establish the business rationale and commercial substance of the Management Service Agreement and the Management Agreement;

d. determine whether the Group continues to have control over Shanghai Fengwei in light of the arrangements with the Entity;

e. determine whether the Group has any potential tax exposures and financial impacts from the transactions arising from the Management Service Agreement and the Management Agreement;

f. review relevant agreements, correspondence, minutes of meetings, and accounting and/or other relevant records (such as ledgers, invoices, vouchers, debit notes, credit notes, bank advices, bank statements);

g. review the internal processes of the Company and Shanghai Fengwei in relation to the approval of the Management Service Agreement and Management Agreement and make recommendations for improvements to internal control lapses identified, if any;

h. highlight any potential breach of listing rules, laws or regulations, or non-compliance with the Code of Corporate Governance governing the Company and its personnel. This will include the identification of all responsible parties and the lapses on their part;

i. whether the terms of the Management Service Agreement and Management Agreement are on normal commercial terms;

j. review the veracity of Shanghai Fengwei's sales from April 2020 onwards;

k. In relation to the fair value through other comprehensive income ("**FVTOCI**"), review and provide comments on the report of the independent professional valuer, including the valuation methodology, and reasonableness of management estimates / forecasts, and other key assumptions;

l. determine the financial impact of proposed fair value adjustments (if any) on the financial statements of the Group; and

m. establish the chronology of events, facts and circumstances surrounding the debts owing by Tianjin GNCC to the Group (including payments to Assure Win International Holdings Limited), the Group's investment in Top Enterprise in 2012 and Baling in 2016 and disposal of Top Enterprise in 2018, the Group's debt repayment agreement dated 26 June 2018 between the Company and Tianjin GNCC and the Group's investment in Thai GNCC;

n. perform the procedures described in paragraphs (b), (c), (e), (f), (g) and (h), tailored to the FVTOCI; and

o. identify the background of Thai General Nice Coal and Coke Co., Ltd ("**GNCC**") and the status of Thai GNCC's business operations.

KPMG will report directly to the SGX RegCo and the Audit and Risk Committee of the Company. The Company will make further announcements to update shareholders as and when there are material developments on the matter, including key findings of the Independent Review where appropriate.

BY ORDER OF THE BOARD

Dr VicPearly Wong Hwei Pink
Executive Director and CEO

18 December 2020