Neo-Neon Holdings Limited
同方友友控股有限公司

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

Terms of Reference of the Risk Management and Regulatory Compliance Committee (the "Committee") of the Board of Directors (the "Board") of the Company

1. Responsibilities

1.1 The Committee (originally the "regulatory compliance committee") is established pursuant to a resolution passed by the Board at its meeting held on 22 March 2016 with its responsibilities:

(a) to consider the risk management strategies of the Company;

(b) to review the risk management system of the Company and its subsidiaries (the "Group"), including but not limited to risk management policies, guidelines, functions and workflows, and to discuss the risk management system with management to ensure that management has performed its duty to have effective system;

(c) to assess the risks from major decisions and to consider solutions for significant risks, and to provide such guidance as it considers appropriate;

(d) to have periodic assessment on the Group's risk profile and risk management capabilities, and to make recommendations on the improvement of the Group's risk management systems;

(e) to consider major investigations findings on risk management matters as delegated by the Board or on its own initiative and management's response to these findings;

(f) to oversee the Group's risk management systems on an ongoing basis, ensure that a review of the effectiveness of the risk management systems of the Group has been conducted at least annually and report to shareholders that it has done so in its Corporate Governance Report;

(g) to consider any other matters in relation to risk management responsibilities to be performed by the Committee under the Appendix 14 "Corporate Governance Code and Corporate Governance Report" of the Listing Rules; and

(h) to review and monitor inside information and dealings of the Group with connected parties/connected persons to ensure all dealings with connected parties/connected persons are conducted on an arm's length basis in accordance with relevant rules and legislation. The Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed within this scope;

(i) to focus particularly on an appropriate compliance framework of the Company's announcements and publication is in compliance with relevant rules and legislation, and consider any significant or unusual items that are, or may need to be, reflected in the announcements and reporting in a timely manner and report to and discuss with the Directors and deal with the compliance issues;

(j) to provide adequate guidance and training for management of the Company to make proper attention to compliance issues and to perform their duties in accordance with relevant rules and legislation. Oversight of the Group's financial reporting system, internal controls, business policies and practices, and monitoring systems to ensure commercial activities are conducted in compliance with relevant rules and legislation;

(k) to consider other topics, as defined by the Board.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three members.

2.2 The chairman of the Committee shall be appointed by the Board and has to be an independent non-executive director of the Company.

2.3 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

2.4 The secretary of the Company shall act as the secretary of the Committee.

3. Frequency and proceedings of meetings

3.1 The Committee should meet at least one time per year. The Chairman may convene additional meetings at his discretion.

3.2 Notice of Meeting

(a) Unless otherwise agreed by all the Committee members, a meeting shall be convened by at least fourteen (14) days' notice.

(b) A Committee member may at any time summon a Committee meeting.

(c) Notice shall be given to each Committee member in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the secretary of the Company by such Committee member or in such other manner as the Committee members may from time to time determine.

(d) Any notice given orally shall be followed by confirmation in writing before the meeting.

(e) Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

3.3 The quorum of the Committee meeting shall be two members of the Committee.

3.4 Other Board members shall also have the right of attendance.

4. Alternate Committee members

4.1 A Committee member may not appoint any alternate.

5. Authorities of the Committee

5.1 The Committee has the authority delegated to it from the Board to deal with the matters set out in clause 1.1 above.

5.2 The Committee should be provided with sufficient resources to perform its duties.

5.3 The Committee is granted the authority to investigate any activity within its terms of reference and all employees are directed to cooperate with the Committee. The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to invite the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5.4 The Committee shall report to the Board any suspected frauds and irregularities, failures of suspected infringements of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

6. Minutes of meetings

6.1 Full minutes of Committee meeting shall be kept by the secretary of the Company and should be open for inspection at any reasonable time on reasonable notice by any director of the Company. The secretary of the Company shall circulate the draft and final version of minutes of Committee meetings to all the Committee members for their comments and records within a reasonable time after the meeting.

7. Written resolutions

7.1 Written resolutions may be passed by all Committee members in writing. This provision is without prejudice to any requirement under the Listing Rules for a Board or Committee meeting to be held.

8. Reporting procedures

8.1 The Committee should report back to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

9. Continuing application of the articles of association of the Company

9.1 The articles of association of the Company regulating the meetings and proceedings of the directors of the Company so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

10. Powers of the Board

10.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including Appendix 14 (Corporate Governance Code and Corporate Governance Report) to the Listing Rules), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

11. Language

11.1 If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.

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Effective from 29 March 2016