JIANGSU HORIZON CHAIN SUPERMARKET COMPANY LIMITED
江蘇宏信超市連鎖股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2625)

RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Article 1 Purpose

In order to further regulate the methods of deliberation and decision-making procedures of the board of directors of Jiangsu Horizon Chain Supermarket Company Limited (hereinafter referred to as the "**Company**"), encourage the board of directors to fulfill its duties effectively, and improve the standard of standardized operation and scientific decision-making of the board of directors, these Rules are formulated in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Listing Rules of the Stock Exchange**") and other relevant laws, regulations and normative documents, as well as the Articles of Association of Jiangsu Horizon Chain Supermarket Company Limited (hereinafter referred to as the "**Articles of Association**").

Article 2 Secretary to the Board of Directors

The board of directors shall have a secretary to the board of directors, who shall be responsible for the preparation of the shareholders' meetings of the Company and Board meetings, the custody of documents, the management of Company shareholder data, and the handling of information disclosure matters.

Article 3 The board of directors shall exercise the following functions and powers:

(1) to summon shareholders' meetings and report its work to the meetings;

(2) to implement the resolutions of the shareholders' meeting;

(3) to determine on the Company's business plans and investment plans;

(4) to formulate the Company's profit distribution plans and loss recovery plans;

(5) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and listing plans;

(6) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;

(7) to decide on the Company's external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions, external donations and other matters within the scope authorised by the shareholders' meeting;

(8) to decide on the establishment of the Company's internal management structure;

(9) to decide on the appointment or dismissal of the Company's general manager, secretary to the board of directors and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, financial controller and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;

(10) to formulate the basic management system of the Company;

(11) to formulate proposals for any amendment to the Articles of Association;

(12) to manage the information disclosure of the Company;

(13) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that audits the Company;

(14) to listen to the work report of the general manager of the Company and inspect the work of the general manager;

(15) other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 4 Board Meetings

The board of directors shall meet at least two times a year, and such meeting shall be summoned by the chairman of the board of directors.

Article 5 Extraordinary Meetings of the Board of Directors

Shareholders representing at least one-tenth of the voting rights, at least one-third of the directors or the audit committee, may propose the convening of an extraordinary meeting of the board of directors. The chairman of the board of directors shall summon and chair a Board meeting within ten days from the receipt of the proposal.

Article 6 The board of directors shall convene an extraordinary meeting of the board of directors by giving notice in writing to all directors five days prior to the meeting. If the situation is urgent and it is necessary to convene an extraordinary meeting of the board of directors as soon as possible, notice of the meeting may be given by telephone or other oral means at any time, but the convener shall give an explanation at the meeting.

Article 7 Convening and Presiding over Meetings

The chairman of the board of directors shall summon and chair Board meetings and inspect the implementation of Board resolutions. The vice-chairman shall assist the work of the chairman of the board of directors , and if the chairman is unable to perform his duties or does not perform his duties, the vice-chairman shall perform such duties (if the Company has two or more vice- chairmen, the vice-chairman jointly elected by more than half of the directors shall perform such duties); if the vice-chairman is unable to perform his duties or does not perform his duties, a director jointly elected by more than half of the directors shall perform his duties.

Article 8 Notice of Meetings

The board of directors shall notify all directors in writing ten days prior to the convening of a Board meeting.

The board of directors shall convene an extraordinary meeting of the board of directors by giving notice in writing to all directors five days prior to the meeting. If the situation is urgent and it is necessary to convene an extraordinary meeting of the board of directors as soon as possible, notice of the meeting may be given by telephone or other oral means at any time, but the convener shall give an explanation at the meeting.

Article 9 Contents of Notice

The notice of the Board meeting shall include the following:

(1) date and venue of the meeting;

(2) the manner in which the meeting to be conducted;

(3) subject matter and topic;

(4) the date on which the notice was sent.

Article 10 Change of Notice

After the written notice of a regular Board meeting is issued, if it is necessary to change the time, venue, or other matters of the meeting, or to add, change, or cancel the proposals to be tabled at the meeting, a written notice of such change shall be issued three days before the original date of the meeting, explaining the situation and the relevant content of the new proposals and related materials. Where the notice is given less than three days in advance, the date of the meeting shall be postponed accordingly or the meeting shall be held as scheduled upon obtaining the approval of all directors present at the meeting.

After the notice of an extraordinary meeting of the board of directors is issued, if it is necessary to change the time, venue, or other matters of the meeting, or to add, change, or cancel the proposals to be tabled at the meeting, the approval of all directors present at the meeting shall be obtained in advance and duly recorded.

Article 11 Holding of Meetings

Unless otherwise provided in the Articles of Association, the Board meetings shall be held in the presence of more than half of the directors.

The general manager may be at the Board meetings. If the presiding officer of the meeting deems it necessary, he/she may notify other relevant personnel to attend the Board meetings.

Article 12 Attendance in Person and by Proxy

Directors shall attend Board meetings in person; if a director is unable to attend for any reason, he/she may appoint in writing another director to attend on his/her behalf, and the power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authority and the period of validity, and shall be signed or sealed by the principal. The director attending the meeting on other director's behalf shall exercise the rights of a director within the scope of authority. A director who fails to attend a Board meeting and does not attend by proxy shall be deemed to have waived his right to vote at such meeting.

Directors shall sign written confirmation opinions on regular reports in accordance with the law, and shall not entrust others to sign on their behalf, nor refuse to sign on the grounds of disagreement with the content of the regular report or opinions different from the audit institution.

The entrusted director shall submit the written power of attorney to the presiding officer of the meeting and state the entrusted attendance in the meeting sign-in book.

Directors participating in a Board meeting via telephone, video conference, fax, email, or mail shall be deemed to have attended the meeting in person.

Article 13 Restrictions on Proxy Attendance

Entrustment and acceptance of entrustment to attend Board meetings shall follow the following principles:

(1) When considering related party transactions, a non-related director shall not entrust a related director to attend on his/her behalf; a related director shall also not accept the entrustment of a non-related director;

(2) Independent non-executive directors (hereinafter also referred to as "independent directors") shall not entrust non-independent directors to attend on their behalf, nor shall non-independent directors accept the entrustment of independent non-executive directors;

(3) A director shall not fully entrust another director to attend on his/her behalf without explaining his/her personal opinion and voting intention on the proposal, nor shall the relevant director accept full entrustment or entrustment with unclear authorization;

(4) A director shall not accept entrustment from more than two directors, nor shall a director entrust the director who has already accepted entrustment from two other directors to attend on his/her behalf.

Article 14 Manner of Convening Meetings

Board meetings shall be convened on-site in principle. When necessary, provided that the directors can fully express their opinions, and with the consent of the convener (the presiding officer) and the proposer, the meeting may also be convened via video, telephone, fax, or email.

Regular or extraordinary meetings of the board of directors may be held by way of telephone conference or with the aid of similar audio-visual transmission equipment, provided that the directors attending the meeting can hear the other directors clearly and communicate with each other, all directors present at the meeting shall be deemed to have attended the meeting in person.

Article 15 Deliberation Procedures of Meetings

The presiding officer of the meeting shall invite directors attending the Board meetings to express clear opinions on each proposal.

For proposals requiring the prior approval of independent non-executive directors according to regulations, the presiding officer of the meeting shall designate an independent non-executive director to read out the written approval opinion reached by the independent non-executive directors before discussing the relevant proposal.

If a director obstructs the normal progress of the meeting or affects the speech of other directors, the presiding officer of the meeting shall stop him/her in a timely manner.

Unless the unanimous consent of all directors present at the meeting is obtained, the Board meetings shall not vote on proposals that are not included in the notice of the meeting. A director accepting entrustment from another director to attend the Board meetings shall not vote on proposals that are not included in the notice of the meeting on behalf of the other director.

Article 16 Expressing Opinions

Directors shall carefully read the relevant meeting materials and express their opinions independently and prudently on the basis of a full understanding of the situation.

Directors may, upon reasonable request and in appropriate circumstances, engage professional institutions to issue independent opinions to assist relevant directors in fulfilling their responsibilities to the Company, and the relevant expenses shall be borne by the Company. The board of directors shall agree to the above request.

Before the meeting, directors may obtain information necessary for decision-making from the secretary to the board of directors, the convener of the meeting, the general manager and other senior management, various special committees, accounting firms, law firms and other relevant personnel and institutions. They may also suggest to the presiding officer during the meeting to invite representatives of the above personnel and institutions to attend the meeting to explain relevant situations.

The management shall have the obligation to supply the board of directors with adequate information in a timely manner to enable the directors to make informed decisions. The information supplied by the management must be complete and reliable. To discharge his/her duties properly, a director may not in all circumstances be able to rely purely on such information as volunteered by the management but should make further enquiries if necessary. Where any director requires more information than is volunteered by the management, he/she should make further enquiries as necessary. The board of directors and each director shall have separate and independent access to the Company's senior management.

The information supplied by the management to the board of directors should include background or explanatory information relating to matters to be brought before the board of directors for consideration, disclosure documents, budgets, forecasts and monthly financial statements and other relevant internal financial statements. Regarding budgets, any relevant and material variance between the projections and actual results must also be disclosed and explained.

Article 17 Voting at Meetings

After each proposal has been fully discussed, the presiding officer shall invite the directors present at the meeting to vote in due course.

Voting at the meeting shall be conducted on a one-person, one-vote basis by open ballot and in writing.

For meetings that are not convened on-site, provided that the directors can fully express their opinions, voting may be conducted and resolutions made by fax, email, or letter, signed by the directors present at the meeting; and other voting methods stipulated in the Articles of Association may also be adopted.

The voting intentions of directors may be for, against and abstained. The directors present at the meeting shall choose one of the above intentions. If no choice is made or two or more intentions are selected simultaneously, the presiding officer of the meeting shall require the relevant director to choose again. If the director refuses to choose, it shall be deemed as an abstention; if a director leaves the meeting venue midway and does not return without making a choice, it shall be deemed as an abstention.

Article 18 Statistics of Voting Results

After the voting by the directors present at the meeting is completed, the secretary to the board of directors and other relevant staff shall collect the ballot papers in a timely manner and hand them to the secretary to the board of directors for counting under the supervision of an independent non-executive director.

For on-site meetings, the presiding officer of the meeting shall announce the statistical results on the spot; in other cases, the presiding officer of the meeting shall require the secretary to the board of directors to notify the directors of the voting results before the next working day after the specified voting deadline ends.

If a director votes after the presiding officer of the meeting announces the voting results or after the specified voting deadline ends, his/her vote shall not be counted.

Article 19 Formation of Resolutions

For the board of directors to review and pass a proposal at the meeting and form a relevant resolution, more than half of all directors of the Company must vote in favour of the proposal. Where laws, administrative regulations, and the Articles of Association provide that a higher proportion of directors is required to approve the formation of Board resolutions requires, such provisions shall prevail.

The board of directors shall make resolutions on matters such as the purchase or sale of assets, external investments, pledge of assets, external guarantees, entrusted wealth management, and connected transactions within its scope of authority. Where the aforementioned matters are subject to further requirements under laws, administrative regulations, and the Articles of Association, such provisions shall also prevail.

In case of any conflict between different resolutions in terms of content and meaning, the later resolution shall prevail.

Article 20 Abstention from Voting

In the event of the following circumstances, directors shall abstain from voting on relevant proposals:

(1) Circumstances where directors shall abstain as stipulated by the Company Law, the Listing Rules of the Stock Exchange, and the securities regulatory authority of the place where the Company's shares are listed;

(2) Circumstances where the director himself/herself believes he/she should abstain;

(3) Other circumstances stipulated in the Articles of Association where abstention is required due to the director having a related party relationship with the resolution matter involved in the proposal at the meeting.

Where a director abstains from voting, the abstaining director shall not participate in the voting; such director shall not be counted in the quorum for the meeting. The relevant Board meeting may be held in the presence of more than half of the non-related directors, and a resolution shall be approved by more than half of the non-related directors. If the number of non-related directors present at the meeting is less than three, they shall not vote on the relevant proposal, and the matter shall be submitted to the shareholders' meeting for consideration.

Article 21 Non-Ultra Vires

The board of directors shall act strictly in accordance with the authorisation of the shareholders' meeting and the Articles of Association, and shall not form resolutions beyond its authority.

Article 22 Special Provisions on Profit Distribution

If a resolution on the Company's profit distribution is required at a Board meeting, the certified public accountant shall in advance be notified of the distribution plan intended to be submitted to the board of directors for consideration, and required to issue a draft audit report accordingly (all other financial data except for those involving distribution have been determined). After the board of directors makes a resolution on distribution, it shall require the certified public accountant to issue a formal audit report, and the board of directors shall then make resolutions on other relevant matters of the regular report based on the formal audit report issued by the certified public accountant.

Article 23 Handling of Rejected Proposals

Where a proposal is not passed, in absence of any significant change to the relevant conditions and factors, the Board meetings shall not review a proposal with the same content within one month.

Article 24 Suspension of Voting

When more than one-fourth of the directors or more than two external directors believe that the materials are insufficient or the argumentation is unclear, they may jointly propose to postpone the Board meetings or postpone the discussion of some matters by the board of directors, in which case the board of directors shall adopt the proposal, and the Company shall disclose the relevant situation in a timely manner.

The directors proposing to suspend voting shall make clear requirements for the conditions that should be met for the proposal to be resubmitted for further consideration.

Article 25 Audio Recording of Meetings

Board meetings convened on-site or via video, telephone, etc., may be recorded in full as needed.

Article 26 Minutes of Meetings

The board of directors shall make minutes of the decisions made on the matters discussed at the meeting, and the directors present at the meeting shall sign on the minutes. Opinions expressed by independent non-executive directors shall be clearly stated in the Board resolutions.

The secretary to the board of directors shall arrange for personnel to take minutes of the Board meetings. Minutes of meetings shall include the following particulars:

(1) date and venue of the meeting and the name of the convener;

(2) names of the directors present and the names of directors (proxies) entrusted by others to attend the meeting of board of directors;

(3) meeting agenda;

(4) key points of the directors' speeches;

(5) the manner of voting and the result of each resolution (the result of the vote shall indicate the number of votes cast in favour, against or abstentions).

The draft minutes of each Board meeting shall be provided to all directors for review within a reasonable time after the conclusion of the Board meeting. Directors who wish to make amendments or supplements to the minutes shall report their modification opinions in writing to the chairman of the board of directors within one week after receiving the minutes. After the minutes are finalized, the directors and the recorder present at the meeting shall sign on the minutes. The secretary to the board of directors shall carefully organize the recording and

sorting of the matters discussed at the meeting, sign the resolutions, and assume responsibility for accurate recording. The minutes of Board meetings shall be kept at the Company's domicile in China for record purposes, and complete copies shall be sent to each director as soon as possible.

Article 27 Director's Signature

The directors present at the meeting shall sign and confirm the meeting minutes and resolution records on behalf of themselves and the directors who entrusted them to attend the meeting. If the directors present at the meeting have different opinions on the meeting minutes or resolution records, they may make a written explanation when signing.

If a director neither signs for confirmation in accordance with the provisions of the preceding paragraph nor makes a written explanation of his/her dissenting opinions, it shall be deemed that he/she completely agrees with the content of the meeting minutes and resolutions.

Any written resolution that has not been formed in accordance with statutory procedures and signed by directors, even if each director has expressed his/her opinion in different ways, shall not have the legal effect of a Board resolution.

Directors shall be liable for the resolutions at the Board meeting. If a resolution at the Board meeting violates the laws, administrative regulations or the Articles of Association or resolutions of the shareholders' meeting, causing the Company to suffer serious losses, the directors participating in the resolution shall be liable to the Company for compensation; provided that if a director can prove that he/she expressed his/her objection at the time of voting and such objection was recorded in the minutes of the meeting, such director may be exempted from liability; directors who abstained from voting or did not attend the meeting and did not entrust others to attend shall not be exempted from liability; directors who clearly expressed their objection during the discussion but did not explicitly vote against the resolution during voting shall also not be exempted from liability.

Article 28 Announcement of Resolutions

The announcement of Board resolutions shall be handled by the secretary to the board of directors in accordance with the relevant regulations of the securities regulatory authority of the place where the Company's shares are listed and the Articles of Association. Before the announcement of the resolution is disclosed, the directors present at the meeting, personnel sitting in on the meeting, recording and service personnel, etc., shall have the obligation to keep the content of the resolution confidential.

Article 29 Implementation of Resolutions

The chairman of the board of directors shall urge relevant personnel to implement Board resolutions, inspect the implementation of resolutions, and report the implementation of formed resolutions at subsequent Board meetings.

Article 30 Preservation of Meeting Archives

Board meetings archives, including notice of the meetings and meeting materials, meeting sign-in books, powers of attorney for directors attending on behalf of others, meeting audio recording materials, ballot papers, meeting minutes signed and confirmed by directors present at the meeting, meeting summaries, resolution announcements, etc., shall be kept by the secretary to the board of directors.

The archives of Board meetings shall be kept for a period of ten years.

Article 31 Inspection of Meeting Minutes

The Company shall maintain the minutes of Board meetings. If any director gives reasonable notice, the relevant minutes shall be open for his/her inspection at any reasonable time.

Article 32 Supplementary Provisions

These Rules are an appendix to the Articles of Association.

Matters not covered in these Rules shall be implemented in accordance with the relevant provisions of the Company Law, the Articles of Association, and the securities regulatory authority of the place where the Company's shares are listed.

These Rules shall be amended from time to time in accordance with the amendments to relevant laws, regulations, normative documents, the Listing Rules of the Stock Exchange and the Articles of Association. In case of any inconsistency between the provisions of these Rules and the provisions of relevant laws, regulations, normative documents, the Listing Rules of the Stock Exchange and the Articles of Association, the relevant provisions of relevant laws, regulations, normative documents, the Listing Rules of the Stock Exchange and the Articles of Association shall prevail.

The announcements or notices referred to in these Rules refer to the content disclosed in the information disclosure media designated by The Stock Exchange of Hong Kong Limited.

In these Rules, "more than", "within" include the figure itself. The board of directors of the Company shall be responsible for the interpretation of these Rules.