

MIDAS HOLDINGS LIMITED

AUDIT COMMITTEE CHARTER

(Revised pursuant to the Board resolution passed on 22 March 2013)

1.0 ESTABLISHMENT

- 1.1 The Audit Committee (the “Committee”) is established by the board of directors (the “Board”) of Midas Holdings Limited (the “Company”).
- 1.2 Subject to the regulations contained in the Companies Act, Chapter 50 (the “Act”), Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the Articles of Association of the Company and the Code of Corporate Governance issued by the Corporate Governance Committee (the “Singapore Code of Corporate Governance”) and applicable rules and regulations of exchanges (other than SGX) on which the Company is listed on, the procedures of the Committee shall be regulated by the provisions of this Audit Committee Charter (the “Charter”).

2.0 COMPOSITION

- 2.1 The Committee shall comprise at least three members (the “Members”), all non-executive directors and a majority of the Members should be independent directors. The definition of independent would be guided by paragraph 2.1 in the Singapore Code of Corporate Governance and applicable rules and regulations of exchanges (other than SGX) on which the Company is listed on.
- 2.2 The Committee shall appoint one of its Members who is an independent director to be the chairman. In the absence of the Committee chairman, the remaining Members present shall elect one of their numbers to chair the meeting.
- 2.3 At least two Members should have appropriate professional qualifications or accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgement.
- 2.4 A Member who wishes to retire or resign from the Committee should provide sufficient notice to the Company so that a replacement may be appointed before he leaves.
- 2.5 In the event of a vacancy, the Company shall endeavour to fill the vacancy within 2 months but not later than 3 months.
- 2.6 The Committee should be provided with sufficient resources to perform its duties.

3.0 FUNCTIONS, DUTIES AND POWERS

- 3.1 The Committee’s statutory functions, according to the Act, are:-
 - 3.1.1 to review with the external auditors, the audit plan;

- 3.1.2 to review with the external auditors, their evaluation of the system of internal accounting controls;
 - 3.1.3 to review with the auditors, their audit report;
 - 3.1.4 to review the assistance given by the Company's officers to the auditors;
 - 3.1.5 to review the scope and results of the internal audit procedures;
 - 3.1.6 to review the balance sheet and profit and loss account of the Company and the consolidated balance sheet and profit and loss account and to submit them to the Board;
 - 3.1.7 to nominate persons as auditors; and
 - 3.1.8 to supervise the Executive Risk Committee.
- 3.2 The Committee's duties, suggested by Singapore Code of Corporate Governance, are:
- 3.2.1 to have explicit authority to investigate any matter within its Charter, full access to and co-operation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
 - 3.2.2 to keep under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors and where the auditors also supply a substantial volume of non-audit services to the Company, the Committee should keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
 - 3.2.3 to meet with external auditors and internal auditors, without the presence of the Company's management, at least once a year
 - 3.2.4 to review the independence of the external auditors annually;
 - 3.2.5 to conduct an annual review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Such review can be carried out by the internal and/or external auditors;
 - 3.2.6 to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
 - 3.2.7 to ensure annually the adequacy of the internal audit function.
- 3.3 The Committee's duties are:-
- 3.3.1 to review the audit plans of the Company's external auditors and to discuss with auditors the nature and scope of audit and reporting obligations before commencement;

- 3.3.2 to review the external auditors' reports and to review external auditors' management letter and ensure that the board has a timely response to issues raised;
- 3.3.3 to review the co-operation given by the Company's officers to the external auditors;
- 3.3.4 to review the financial statements of the Company and that of the Company and its subsidiaries (the "Group") before their submission to the Board, with particular focus on changes in accounting policies and practices, major judgemental areas, significant adjustments resulting from audit, going concern assumptions and any qualifications, compliance with accounting standards and compliance with applicable listing rules and legal requirements in relation to financial reporting;
- 3.3.5 to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to review and recommend to the Board the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- 3.3.6 to review interested person transactions, if any;
- 3.3.7 to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position;
- 3.3.8 to ensure co-ordination between external and internal auditors;
- 3.3.9 to review Company's internal whistleblowing policy and arrangements and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow up action.
- 3.3.10 to discuss the internal control system with management to ensure that that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- 3.3.11 to review the Group's financial and accounting policies and practices

4.0 MEETINGS

- 4.1 The Committee shall hold at least 2 meetings each financial year. The meetings shall be held, inter alia, for the following purposes:
 - 4.1.1 to review the announcement of the quarterly/ half/ full year results;
 - 4.1.2 to review the audit planning memorandum;
 - 4.1.3 to review interested person transactions;

- 4.1.4 to carry out its duties and functions under provision 3 of this Charter; and
- 4.1.5 for any other matters decided by the Committee and the Board.
- 4.2 The Chairman of the Committee shall chair all meetings. If no such Chairman is appointed or if the Chairman is not present within 10 minutes after the time appointed for holding any meeting, the Members present may choose one of their numbers who must be a non-executive and independent director to be the chairman of the meeting.
- 4.3 The Secretary of the Company shall be the secretary of the Committee. In the absence of such secretary, the Committee may appoint another person to be secretary of the Meeting.
- 4.4 The notice and agenda for each meeting shall be circulated to all Members and the external auditors before each meeting.
- 4.5 The quorum for each meeting shall be 2 members present at the commencement of and throughout the meeting.
- 4.6 Questions arising at any meeting of the Committee shall be determined by a majority of votes.
- 4.7 Any minutes signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein. Draft minutes shall be circulated to the Members for their comments.
- 4.8 The Committee may invite other directors and executive officers of the Group to attend any meeting.
- 4.9 The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.
- 4.10 The external auditors have the right to request the Chairman of the Committee to convene a meeting to consider any matters including those which the auditors believe should be brought to the attention of the Board or the shareholders.
- 4.11 Except for the provision under 4.5 of this Charter, the Committee may regulate and amend the provisions relating to its own procedure and in particular the calling of the meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

5.0 RESOLUTIONS IN WRITING AND MEETINGS BY CONFERENCE CALLS

- 5.1 A resolution in writing signed or approved by letter, telex or facsimile by a majority of Members shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more Members.

- 5.2 The Committee may conduct its meeting by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a Member being in the physical presence of another Member or Members and participation in a meeting in such manner shall be deemed to constitute presence in person at such meeting. Minutes of such a meeting signed by all participants of the meeting shall be conclusive evidence of any resolution of any meeting conducted in such manner.

The Chinese translation thereof is for reference only and the English version shall always prevail in case of discrepancies or inconsistencies.