

SHINER INTERNATIONAL, INC.

AUDIT COMMITTEE CHARTER

I. Committee Purpose

The Audit Committee is appointed by the Board of Directors to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the financial management and controls of the Company. The Committee's primary oversight responsibilities relate to:

- The integrity of the Company's accounting and financial reporting processes, audits of the Company's financial statements, and systems of internal control over financial reporting and accounting matters;
- The appointment, compensation, retention and oversight of the Company's independent registered public accounting firm (the "Audit Firm")
- The independence of the Audit Firm.

In addition, the Committee provides an avenue of communication among the Audit Firm, management and the Board of Directors.

II. Committee Composition

The Committee shall consist of at least three directors, one of whom shall be designated by the Board as Chairman of the Committee.

Each member of the Committee shall (i) be independent as defined under Rule 4200(a)(15) of the Nasdaq listing standards, (ii) meet the criteria for independence set forth in Rule 10A-3(b)(i) under the Securities Exchange Act of 1934, as amended (the "Act") (subject to the exemptions provided in Rule 10A-3(c)); (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; (iv) be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement, and (v) be free of any relationship that, in the opinion of the Board of Directors, would interfere with his or her individual exercise of independent judgment; *provided that* under exceptional and limited circumstances, one director who meets the requirements of Section 10A(m)(3)(B) but does not otherwise meet the independence requirements of Nasdaq may be permitted to serve on the Committee in accordance with the rules of Nasdaq.

At least one member of the Committee must have past employment experience in finance or accounting, professional certification in accounting, or comparable experience that results in such member's financial sophistication.

The Board of Directors shall periodically evaluate the qualifications of each member of the Committee to determine whether one or more members meet the requirements of an "audit committee financial expert" (as defined in Item 407 of Regulation S-K or Regulation S-B, as applicable) and, if not, whether it is in the Company's best interests to appoint a member to the Committee who meets such requirements. The Company shall disclose in its annual report on Form

10-KSB of Form 10-K whether the Committee has an audit committee financial expert and, if so, the name of such member. If the Committee does not have an audit committee financial expert, the Company must explain in the annual report on Form 10-KSB or Form 10-K why it does not.

The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year, and more frequently as circumstances require. The Committee shall have the opportunity to meet with the independent auditors and the internal auditors without members of management present at each regularly scheduled meeting of the Committee, and may meet periodically with other members of management, the general counsel and the internal auditors, upon request.

III. Committee Responsibilities and Duties

Guiding Principles

Flexibility. In order for the Committee to effectively carry out its purposes, its processes must remain flexible so it can best react to changing conditions, information, accounting rules, securities laws and regulations and other factors which bear on its responsibilities. The key responsibilities described in this Charter, therefore, shall define the principal recurring processes of the Committee. These processes are set forth as a guide with the understanding that the Committee may supplement them as it deems necessary or appropriate to accomplish its purposes.

Responsibility for Financial Reporting. The Company's management is responsible for preparing the Company's financial statements in accordance with generally accepted accounting principles ("GAAP") and its periodic reports as required by the SEC. The Audit Firm is responsible for auditing the Company's annual financial statements and reviewing the Company's interim financial statements. While the Committee has responsibility to oversee management's and the Audit Firm's conduct of these activities, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in compliance with GAAP.

Open Communication. The Committee is expected to maintain free and open communication with the Audit Firm and management of the company. In order to facilitate such free and open communication, the Committee should meet with members of management and the Audit Firm, separately, at least once a year and at such other times as the members of the Committee deem it necessary or appropriate to accomplish its purposes.

Audit Firm

The Audit Firm is ultimately accountable to the Committee and the Board of Directors as representatives of the Company's stockholders. The Audit Firm shall report directly to the Committee. In addition, the Committee shall have the following responsibilities and duties with respect to the Audit Firm:

1. *Annual Selection of the Audit Firm.* The Committee has the sole authority and responsibility to select, appoint, evaluate and, where appropriate, replace the Audit Firm. The Committee may submit its decision regarding the selection of the Audit Firm to the stockholders of the Company for ratification, but notwithstanding the stockholders' ratification of such Audit Firm,

the Committee shall not be bound to retain such Audit Firm, and notwithstanding the stockholders' rejection of such Audit Firm, the Committee shall not be bound to replace such Audit Firm, where, in either case, the Committee determines its decision regarding the Audit Firm to be in the best interests of the Company. In making its assessments of the Audit Firm, the Committee will discuss and consider the Audit Firm's written affirmation that it is in fact independent, the Audit Firm's ability to manage the nature and rigor of the audit process, the scope of and compensation paid for non-audit services and such other matters as the members of the Committee deem necessary or appropriate. In addition, the Committee has the sole responsibility for determining the compensation of the Audit Firm.

2. *Independence of the Audit Firm.* The Committee shall:

- On an annual basis, obtain and review the Audit Firm's written disclosures required by Independence Standards Board Standard No. 1 regarding its independence. Discuss with the Audit Firm all disclosed relationships and services that may impact the objectivity and independence of the Audit Firm and take appropriate action in response to the disclosures to satisfy itself of the independence of the Audit Firm.
- When approving permitted, non-audit services to be provided by the Audit Firm, consider whether the provision of such services, and the payment of fees for such services, is consistent with maintaining the independence of the Audit Firm.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Recommend, to the Board of Directors, policies limiting the Company's hiring of employees or former employees of the Audit Firm who participated in any capacity in the audit of the Company as required by law.

3. *Pre-approval of Services Provided by the Audit Firm.* The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Audit Firm. The Committee may delegate its authority to pre-approve such services to one or more members, provided that any such pre-approval shall be presented to the full Committee at its next scheduled meeting.

4. *Review Quality Control Process of the Audit Firm.* The Committee shall obtain and review a report from the Audit Firm at least annually regarding (a) the Audit Firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the Audit Firm and the Company. The Committee shall present the conclusions of its review with respect to the Audit Firm to the Board of Directors.

Audit Procedures

5. *Review Audit Plan.* Prior to the commencement of the annual audit, the Committee shall review with the Audit Firm its audit plan for the Company's annual audit, including the scope,

staffing locations, timetable, reliance upon management and internal audits, and the general audit approach, and the Audit Firm's plan for review of the quarterly financial results.

6. *Conduct of Audit.* The Committee shall discuss with the Audit Firm, prior to recommending that the audited financial statements be included in the Annual Report on Form 10-KSB or Form 10-K, the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Financial Disclosures

7. *Review Annual Audit Results.* The Committee shall review with management and the Audit Firm the audited financial statements and the disclosures to be made in management's discussion and analysis ("MD&A") to be filed with the SEC as part of the Annual Report on Form 10-KSB or Form 10-K. The Committee shall review with the Audit Firm the report of its annual audit, or proposed report of its annual audit, the accompanying management letter, if any, and management's response. The Committee shall recommend to the Board of Directors the inclusion of the audited financial statements in the Annual Report on Form 10-KSB or Form 10-K.

8. *Review Quarterly Financial Results.* The Committee shall review with management and the Audit Firm the Company's earnings press releases. The Committee shall review with the Audit Firm reports of its reviews of the Company's interim financial statements in accordance with Statement on Auditing Standards No. 100, if applicable. The Committee shall review with management and the Audit Firm the quarterly financial statements and MD&A prior to filing the Quarterly Report on Form 10-QSB or Form 10-Q.

9. *Financial Reporting Issues and Judgments; Related Matters.* The Committee shall review with management and the Audit Firm (both with and without the presence of management) significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal control over financial reporting and any special steps adopted in light of material control deficiencies. In addition, such review shall include consideration of the following:

- All critical accounting policies and practices to be used.
- All alternative treatments of financial information within GAAP that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Audit Firm.
- Other material written communications between the Audit Firm and management, such as any management letter, schedule of unadjusted differences or representation letter of the Company.
- Disclosures of any transactions between the Company and any affiliated person or affiliate of such person.

- The effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
- All correspondence, reports or notices which raise material issues regarding the Company's financial statements or accounting policies that are issued by Nasdaq, the SEC or any other government agency.
- All legal and tax matters that could have a significant impact on the Company's financial statements, including the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies, and all audit letters obtained by the Audit Firm from the Company's counsel.

Other Key Responsibilities

10. Complaints Regarding Accounting and Auditing Matters. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

11. Review Systems of Internal Controls. The Committee shall review with management, the senior corporate finance executive and the Audit Firm the adequacy of the Company's internal control over financial reporting and the Company's disclosure controls and procedures. The Committee shall consider the disclosures made to the Committee by the Company's CEO and CFO pursuant to their certification of the Company's Forms 10-KSB or Form 10-K and Forms 10-QSB or Form 10-Q, including, without limitation, any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.

12. Risk Management. The Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

13. Prepare Proxy Statement Report. The Committee shall prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement disclosing that:

- a. The Committee has reviewed and discussed the audited financial statements with management and discussed certain matters with the Audit Firm, as required to be discussed in SAS 61;
- b. The Committee has received the letter from the Audit Firm required by Independence Standards Board Standard No. 1 "Independence Discussions with Committees," and has discussed with the Audit Firm the Audit Firm's independence; and

- c. Based on the review and discussions referred to in paragraphs 13.a. and 13.b., above, the Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.

14. *Review Charter.* The Committee shall review and reassess the adequacy of this Charter annually and submit any recommendations for amendment to the Board of Directors for approval. The Charter shall be included as an appendix to the annual proxy statement at least once every three years and to the proxy statement for the year following any amendment of the Charter.

15. *Expense Accounts.* Annually, review policies and procedures as well as audit results associated with directors' and officers' expense accounts and perquisites.

16. *Related Party Transactions.* Approve all transactions between the Company and its directors and officers and other affiliates and, annually, review all such transactions and potential conflicts of interests.

Investigations

17. *Investigations.* The Committee has the authority to conduct any investigation it deems necessary or appropriate to accomplish its purposes. The Committee shall have direct access to the Audit Firm as well as any employee of the Company and shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors.

18. *Funding.* The Company shall provide adequate funding, as determined by the Committee, for payment of compensation for any advisors retained by the Committee and ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties.

Other

19. *Review Other Matters.* The Committee shall review such other matters in relation to the accounting, auditing, financial reporting and related compliance practices and procedures of the Company and perform any other activities consistent with the Charter or governing law or regulation (including the listing rules of Nasdaq) as the Committee may, in its own discretion or as directed by the Board of Directors, deem necessary or appropriate in connection with the other responsibilities set forth herein.