

**AUDIT COMMITTEE MEETING
MARCH 9, 2009**

**Audit Committee Charter (the "Charter")
for
Global Sources Ltd. and its subsidiaries (the "Group")**

1. Mission Statement

The Audit Committee will review the financial reporting process, the system of internal control, the audit process, and the Group's process for monitoring compliance with laws and regulations and with the code of conduct. In performing its duties, the Audit Committee will maintain effective working relationships with the Board of Directors of Global Sources Ltd. (the "Board of Directors") (and assist it with its oversight responsibilities), the Group's management ("Management"), and the external auditors. To effectively perform his or her role, each Audit Committee member will obtain an understanding of the detailed responsibilities of Audit Committee membership as well as the Group's business, operations, and risks.

2. Composition

The Audit Committee shall be composed of a minimum of three directors, each of whom shall be, in the opinion of the Board of Directors, independent as defined by the Securities and Exchange Commission ("SEC") and NASDAQ regulations. Each member shall be free from any relationship that would, in the Board of Directors' opinion, interfere with the exercise of his or her judgment independent of Management. No member shall have participated in the preparation of the financial statements of the Group at any time during the past three years.

The members of the Audit Committee shall have a working familiarity with basic finance and accounting practices and shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. At least one member of the Audit Committee shall have past accounting/financial management related expertise as required by SEC and NASDAQ regulations.

No one may serve as a member of the Audit Committee if he/she or anyone in his/her immediate family is an officer or employee of the Group (or any of its affiliates) or has been an officer or employee of the Group (or any of its affiliates) in the last three years; or if he/she is an executive officer of an organization for whose audit committee any executive officer of the Group serves as a member.

If a member (or any organization in which such member is a partner, controlling shareholder or executive officer) has (or in the last three years, has had) a business relationship with the Group (including a commercial, industrial banking, consulting, legal, accounting or other relationship), the Board of Directors shall specifically determine that, in the Board of Directors' best judgment, such business relationship does not interfere with the member's exercise of independent judgment. In making this determination, the Board of Directors shall consider, among other things, the materiality of the relationship with the Group and to the member and, if applicable, to the organization with which the member is affiliated.

3. Organization

Subject to the approval of the Board of Directors of the Group, in seeking to fulfill the above objectives the Audit Committee shall have the following powers and duties. The Audit Committee shall:

- Be governed in accordance with the Bye-Laws of the Group;
- Appoint a Chairman of the Audit Committee (the "Chairman");
- Authorize investigations, and hire independent counsel and accountants to assist in investigations, as it determines necessary to carry out its duties;

- Provide for funding for advisors and ordinary administrative expenses of the Audit Committee that the Audit Committee deems necessary or appropriate;
- Have the power and authority to take all other actions it deems appropriate consistent with this Charter, the Group's Bye-laws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate;
- Meet with the independent accountants at least twice during each year at the call of the Chairman and at such other times that the Chairman may deem necessary or appropriate for any reason including a request of the independent accountants;
- Meet at least quarterly or more frequently as circumstances dictate in order to completely discharge its responsibilities as outlined in this charter; and
- Maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

4. Roles and Responsibilities

4.1 Risk Management and Internal Control

The Audit Committee shall:

- Evaluate whether Management is setting the appropriate tone at the top by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- Focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;
- Gain an understanding of whether internal control recommendations made by the external auditors have been implemented by Management; and
- Ensure that the external auditors keep the Audit Committee informed about fraud, illegal acts, deficiencies in internal controls, and certain other matters.

4.2 Financial Reporting

4.2.1 General

The Audit Committee shall:

- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- Obtain an understanding of the key areas of significant business and financial risk, and
- Ask Management and external auditors about significant business and financial risks and exposures and the plans to minimize such risks.

4.2.2 Annual Financial Statements

The Audit Committee shall:

- Review the annual financial statements and determine whether they are complete and consistent with the information known to the Audit Committee, and assess whether the financial statements reflect appropriate accounting principles;
- Pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- Focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting and disclosure of environmental liability; litigation reserves; and other commitments and contingencies;

- Meet with Management and the external auditors to review the financial statements and the results of the audit;
- Consider Management's handling of proposed audit adjustments identified by the external auditors;
- Review the MD&A and other sections of the annual report before its release and consider whether the information is adequate and consistent with members' knowledge about the Group and its operations;
- Ensure that the external auditors communicate certain required matters to the Audit Committee;
- Discuss the annual audited financial statements with Management and the external auditors, and recommend to the Board of Directors the amendment or approval for issuance of the audited annual financial statements and the inclusion of such financial statements in the annual report;
- Review and discuss the quality, as well as the acceptability, of the Group's accounting policies, including the Group's critical accounting policies and practices and the estimates and assumptions used by Management in the preparation of the Group's financial statements, and in connection therewith shall discuss with the external auditors all alternative treatments of financial information within generally accepted accounting principles that have been discussed with Management, the ramifications of use of such alternative treatments and the treatment preferred by the external auditors; and
- Review and discuss the adequacy and effectiveness of the Group's internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the Audit Committee by the external auditors or Management.

4.2.3 Interim Financial Statements

The Audit Committee shall:

- Be briefed on how Management develops and summarizes quarterly financial information, the extent of internal audit involvement, the extent to which the external auditors review quarterly financial information, and whether that review is performed on a pre- or post-issuance basis;
- Meet with Management and, if a pre-issuance review was completed, with the external auditors, either telephonically or in person, to review the interim financial statements and the results of the review;
- To gain insight into the fairness of the interim statements and disclosures, obtain explanations from Management and from the external auditors on whether:
 - Actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - Changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Group's operations and financing practices;
 - Generally accepted accounting principles have been consistently applied;
 - There are any actual or proposed changes in accounting or financial reporting practices;
 - There are any significant or unusual events or transactions, and that these have been appropriately disclosed;
 - The Group's financial and operating controls are functioning effectively;
 - The Group has complied with the terms of loan agreements, covenants, restrictions or security indentures and all regulatory restrictions and requirements;
 - The interim financial statements contain adequate and appropriate disclosures; and
 - Ensure that the external auditors communicate matters to the Audit Committee that are required to be communicated pursuant to SEC or NASDAQ regulations.

4.3 Compliance with Laws and Regulations

The Audit Committee shall:

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) on any fraudulent acts or accounting irregularities;
- Periodically obtain updates from Management, general counsel, and tax director regarding compliance;
- Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- Review the findings of any examinations by regulatory agencies such as the SEC.

4.4 Compliance with Code of Conduct

The Audit Committee shall:

- Ensure that a code of conduct is formalized in writing;
- Evaluate whether Management is setting the appropriate tone at the top by communicating the importance of the code of conduct and the guidelines for acceptable business practices;
- Review the program for monitoring compliance with the code of conduct;
- Periodically obtain updates from Management and general counsel regarding compliance;
- Establish and ensure the maintenance of procedures for the receipt, retention, and treatment of complaints received by the Group regarding the Group's accounting, internal accounting controls or auditing matters and for the confidential, anonymous submissions by employees of the Group of concerns relating to questionable accounting or auditing matters; and
- Establish criteria for immediate reporting of certain complaints to the Audit Committee and obtaining periodic reports about other complaints received.

4.5 Oversight of Management and Internal Audit

The Audit Committee shall:

- Review the activities and the effectiveness of Management in establishing and maintaining adequate internal controls for financial reporting, and considering from time to time the appropriateness or otherwise of establishing an Internal Audit function.

4.6 External Audit

The Audit Committee shall:

- As the representatives of the Board of Directors of the Group and the shareholders, have the sole authority regarding, and be directly responsible for (a) the selection of the independent auditing firm for the shareholders of the Group to appoint or re-appoint, in accordance with and so long as required by Bermuda law, (b) review the performance of the external auditors; and (c) the compensation, oversight and termination of, as well as funding for, the external auditors for the purpose of preparing or issuing an audit report as related work, or any non-audit work, subject, if applicable, to shareholder ratification;
- Prior to the initial engagement of the external auditors, and at least annually thereafter, request a formal written statement from the external auditors delineating all relationships between the external auditors and their affiliates, on the one hand, and the Group and persons in financial reporting oversight roles at the Group, on the other hand, including fees paid by the Group to the external auditors, in accordance with SEC and NASDAQ regulations, that, as of the date of the communication, may reasonably be thought to bear on independence;

- Prior to the initial engagement of the external auditors, and at least annually thereafter, discuss with the external auditors the potential effects of any such relationships on the independence of the external auditors;
- At least annually, request that the external auditors affirm, in writing, that, as of the date of the communication, the external auditors are independent;
- Review and confirm the independence of the external auditors by reviewing the non-audit services provided and the auditors' assertion of their independence in accordance with professional standards, and take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence;
- Review the external auditors' proposed audit scope and approach;
- Ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis;
- Resolve disagreements between Management and the external auditors regarding financial reporting; and
- Have the external auditors report directly to the Audit Committee.

4.7 Conflicts of Interest

The Audit Committee shall:

- Conduct an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis, and approve such transactions, if appropriate.

4.8 Other Responsibilities

The Audit Committee shall:

- Meet with the external auditors and Management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately;
- Review, with the Group's counsel, any legal matters that could have a significant impact on the Group's financial statements;
- Review the policies and procedures in effect for considering officers' expenses and perquisites;
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist;
- Perform other oversight functions as requested by the full Board of Directors;
- Pre-approve all audit and non-audit services to be provided to the Group by the external auditors; and
- Review and reassess the adequacy of this Charter on an annual basis and update it as conditions dictate.

4.9 Reporting Responsibilities

The Audit Committee shall:

- Regularly update the Board of Directors about Audit Committee activities and make appropriate recommendations.

4.10 Miscellaneous

- The Audit Committee may form and delegate authority to subcommittees or to one or more of its members when appropriate;

- A majority of the members of the Audit Committee shall constitute a quorum for the transaction of business, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Audit Committee. The Chairman will preside at each meeting and, in consultation with the other members of the Audit Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting; and
- The Audit Committee shall maintain written minutes of its meetings, which will be filed with the minutes of the meetings of the Board of Directors.