

FINANCIAL HIGHLIGHTS

*(In U.S. Dollars Thousands, Except
Number of Shares and Per Share Data)*

| | Year Ended | | % Change |
|--|-----------------------|-----------------------|----------|
| | December 31, | December 31, | |
| CONSOLIDATED STATEMENT OF OPERATIONS | 2011 | 2010 | |
| Revenue..... | \$225,065 | \$196,649 | 14 |
| Sales costs | 81,363 | 71,923 | (13) |
| Event production..... | 24,637 | 21,875 | (13) |
| Community and content..... | 34,078 | 31,923 | (7) |
| General and administrative | 40,660 | 33,463 | (22) |
| Information and technology..... | 12,607 | 11,839 | (6) |
| Profit from operations | 31,720 | 25,626 | 24 |
| Interest income..... | 360 | 510 | (29) |
| Gain on sale of available-for-sale securities | - | 1,223 | (100) |
| Income tax expense..... | 1,613 | 1,117 | (44) |
| Net profit..... | 30,467 | 26,242 | 16 |
| Net profit attributable to non-controlling interests | 991 | 991 | 0 |
| Net profit attributable to the company's shareholders | \$29,476 | \$25,251 | 17 |
| Diluted earnings per share | \$0.83 | \$0.61 | 36 |
| Shares used in diluted net profit per share calculations | 35,385,218 | 41,693,616 | (15) |
| BALANCE SHEET HIGHLIGHTS | | | |
| Cash and cash equivalents | \$81,903 | \$101,298 | (19) |
| Term deposits with banks | 2,764 | 1,411 | 96 |
| Financial assets, available-for-sale | 13,250 | - | 100 |
| Current assets | 130,276 | 135,580 | (4) |
| Property and equipment, net | 55,761 | 76,514 | (27) |
| Investment properties..... | 75,370 | - | 100 |
| Total assets | 276,330 | 225,703 | 22 |
| Current liabilities | 127,976 | 115,136 | (11) |
| Total liabilities | 137,776 | 123,243 | (12) |
| Total company shareholders' equity..... | 129,673 | 94,295 | 38 |
| OTHER INFORMATION | | | |
| Net cash generated from operating activities | \$55,231 | \$46,919 | 18 |
| Capital expenditures..... | 56,667 | 2,518 | (2,150) |
| Stock price | \$4.85 ⁽¹⁾ | \$9.52 ⁽¹⁾ | (49) |

⁽¹⁾ Stock price is based on last trading day of the year.

Fellow Shareholders,

Here in our 42nd year, we remain focused on connecting buyers around the world with suppliers throughout Asia. When Global Sources was founded we served our market with a single magazine. Today, we provide the broadest multi-channel offering in the industry.

Global Sources had a solid year in 2011, once again delivering revenue and net income growth while maintaining our strong balance sheet and holding no debt. We achieved these strong results despite global economic uncertainty.

Operationally, we continued to enhance our online services, develop new offerings and extend the global footprint of our trade shows. In March 2011, we completed an acquisition that extended our leadership position serving electronics manufacturers. We also substantially expanded our operations in China's domestic B2B market and completed several key management transitions.

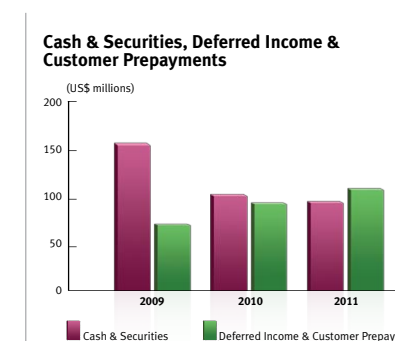
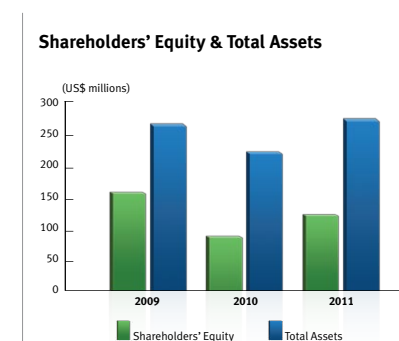
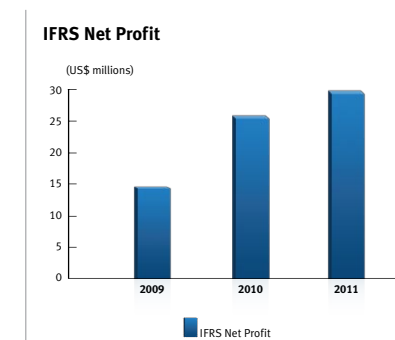
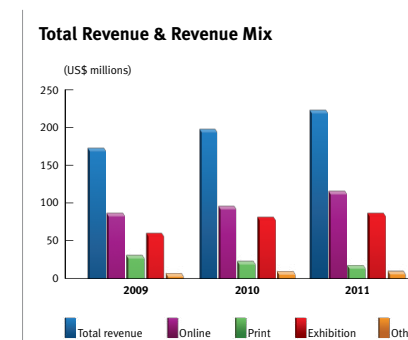
Financial Highlights for 2011

We achieved the following 2011 results compared to 2010, reported in accordance with the International Financial Reporting Standards (IFRS):

- Revenue was \$225.1 million, up 14% as compared to \$196.6 million;
 - Online revenue was \$117.9 million, up 23%;
 - Exhibitions revenue was \$78.0 million, up 12%;
 - Print revenue was \$23.5 million, down 10%; and
 - China grew to represent 79% of total revenue, up from 75%.
- Net profit was \$29.5 million, or \$0.83 per diluted share, as compared to \$25.3 million, or \$0.61 per diluted share.
- Cash and securities as of December 31st, 2011 totaled \$97.9 million.



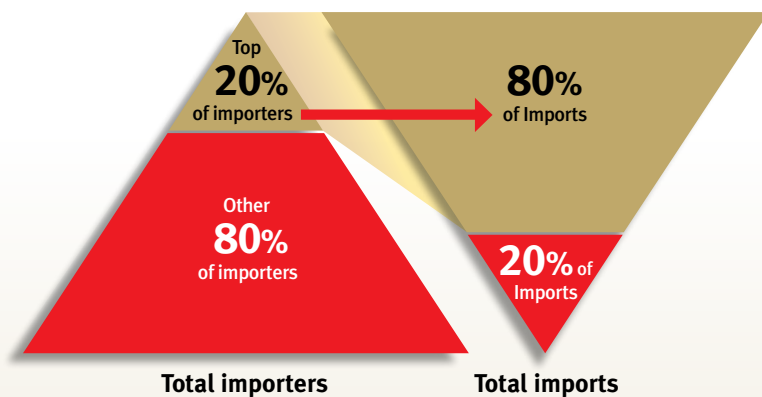
Merle A. Hinrichs
Executive Chairman



Fundamental Beliefs Shaping our Future

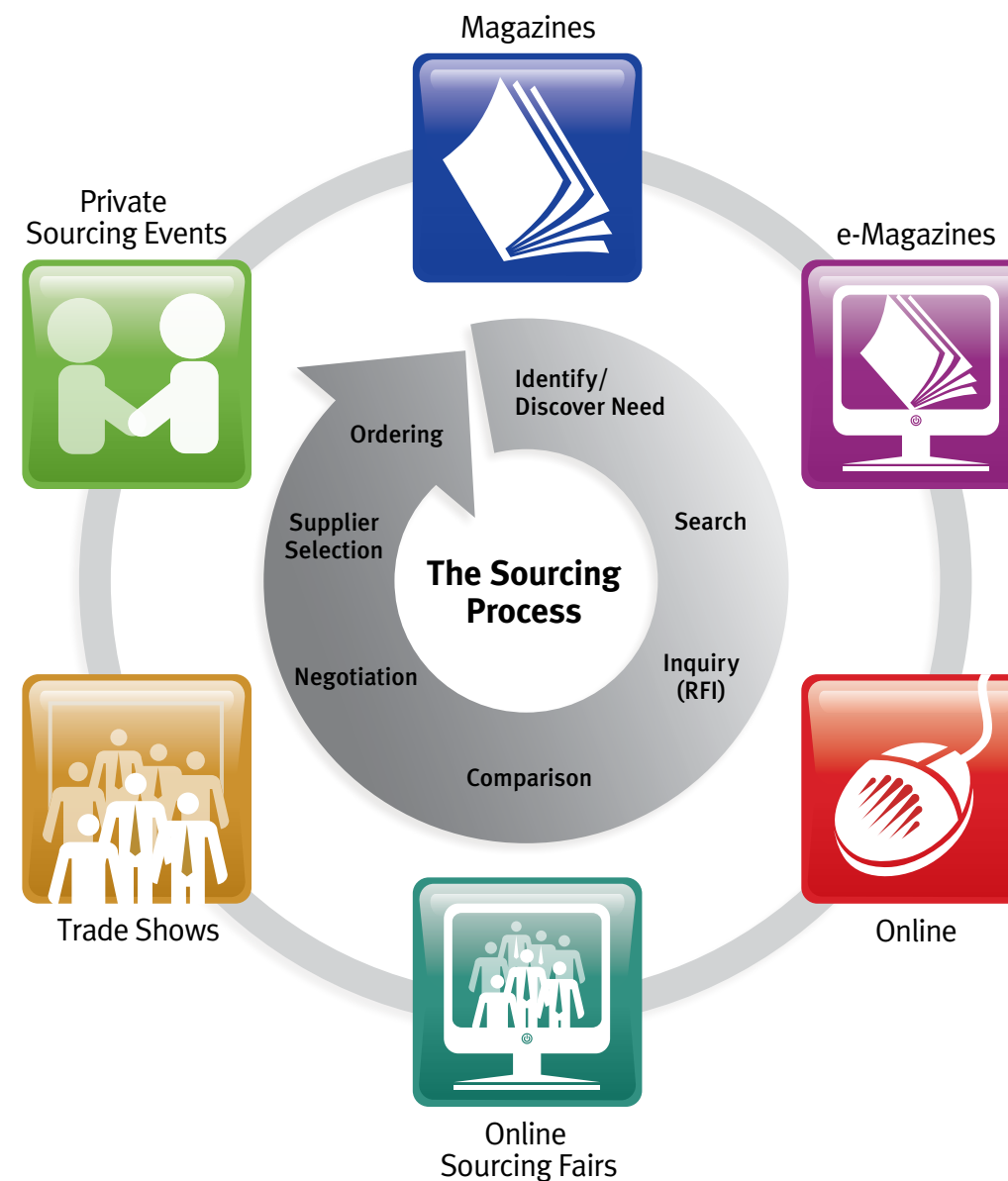
There are several core beliefs that we have about our industry that shape our focus and strategies.

- China will continue to be the biggest export supply market of consumer products for the foreseeable future. Its products will move up-market and increasingly rely on design and branding for differentiation.
- China represents unlimited opportunity. In addition to being the world's largest trading nation, exporter and manufacturer, it is the world's second largest importer.
- Consumer demand in emerging markets will continue to grow in importance. In 2011, growth in exports from China to Brazil, India and Russia in 2011 was 30%, 23% and 31%, respectively.
- Import buying power is relatively concentrated. For example, according to the US Department of Commerce, in 2009 the top 2,000 US importers accounted for more than 80% of total imports.
- For the foreseeable future, large volume international purchases will not be transacted on online marketplaces. There are numerous reasons for this, including the fact that manufacturers of many product categories will not produce before they have orders.



Zara J. C. Penney WHSmith Cencosud Adeo Sears
 Groupe Zannier Office Depot Carrefour Lowe's Coppel
 Monster Fujitsu Kingfisher Test Rite Kesa Electricals
 Staples OfficeMax IKEA El Corte Ingles Li & Fung Auchan
 Halfords Kmart Australia Wesfarmers Kaufland Falabella
 Redcats Canadian Tire Brookstone Casino Shop Direct
 Target Australia OxyLane Intelbras Tesco Woolworths Limited

In 2011, *Private Sourcing Events* were held for more than 290 sourcing teams from very large buying organizations – which created more than 1,690 high quality one-on-one selling opportunities for our advertisers.



Global Sources has the broadest and most integrated multi-channel offering for exporters and importers in the industry – addressing all stages of the sourcing process – and enabling buyers to access Global Sources content and engage with suppliers when, where and how they choose.

- Various media formats play a different role at each stage of the sourcing process, and buyers are best served when they can engage with content and suppliers – when, where and how they choose.
- Trade shows play a vital role enabling buyers to reassure themselves about supplier capabilities and product quality. Getting face-to-face also uniquely enables supplier comparisons, negotiation and order placement.
- Online platforms and other digital services will extend the reach and life span of trade shows, and enhance the productivity of all participants.

Business and Growth Strategy

As it has been since our inception, our primary target market is professional

buyers and suppliers. Our strategy is to serve our markets with innovative online, print and trade show media that address our customers' needs at all stages of the sourcing process.

Our goal is to be an essential provider of sourcing content for buyers – and accordingly – a vital component of a suppliers export marketing campaign. We will continue to focus on addressing suppliers' lead generation, branding and order generation objectives.

The Global Sources growth strategy is built around the following four key foundations:

- Market penetration for our export promotion media;
- New product and market development;
- Expansion into China's domestic B2B market;
- Acquisitions, joint-ventures and alliances.

Market penetration

For our existing business related to international trade we have significant opportunities for further growth. We anticipate continued strength from our flagship site www.globalsources.com and from our *China Sourcing Fairs*. We are aiming to grow this business through various initiatives.

In our online business, we recently launched a unique “one-row” interface that provides buyers with much more information in fewer pages of search results. This initiative was combined with new marketing packages that have driven the broadening and expansion of our customer base.



Global Sources introduced its new 'one-row' user interface in the fall of 2011. It is unique and expandable, and it provides buyers with much more information in fewer pages of search results.

In our exhibitions business, our *China Sourcing Fairs* have gained a reputation for showcasing a distinctive group of manufacturers from mainland China and throughout the region. In most cases we have more private China-based manufacturers than competitive shows, enabling buyers to purchase directly from the source. Also, the *Private Sourcing Events* we arrange on behalf of many of the world's biggest buyers continue to distinguish us in the market and demonstrate the tremendous buying power we introduce to suppliers.

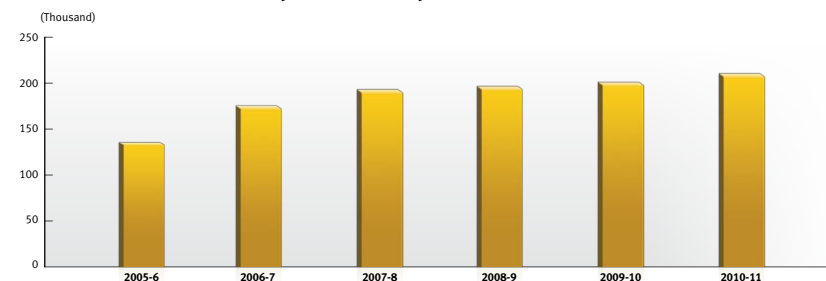


Global Sources has by far the largest global footprint of sourcing shows. The largest global *China Sourcing Fairs* are held each spring and fall in Hong Kong. All shows are also online, enabling buyers to view exhibitor products online before the show, and then to view exhibitors' booths and products online after the show.

We are focused on expanding our leadership position in various industries such as electronics and fashion. For example, we have by far the broadest media offering for Asia's electronics industry, and serve manufacturers all the way through the design, procurement, manufacturing and selling stages with a wide range of Chinese and English language media, including a six-location global footprint of trade shows.

Regarding our buyer community, we are extremely focused on quality versus quantity in order to help suppliers reach the right buyers. We are doing this by nurturing a core audience of more than 200,000 verified buyers that we have qualified face-to-face at our shows. This is a major advantage compared to our online-only competitors. We own and continue to develop a buyer community that includes many of the most active and engaged importers, and we actively strive to exclude a lot of the consumer and non-importer traffic that visits competitive sites.

Global Sources Verified Buyer Community



Given the evidence of concentrated import buying power, Global Sources concentrates its buyer community development efforts on “Verified Buyers” who have travelled to and been qualified face-to-face at our trade shows. Having this buyer community is a major advantage over online-only competitors.

Another key initiative is to enable our customers reach buyers in high growth emerging markets. Unlike any competing services, Global Sources’ regional shows take suppliers directly to the rapidly growing regional sourcing hubs of Dubai, Mumbai, Miami, Johannesburg and later this year, Sao Paulo, Brazil. Through the shows alone, we’ve recently brought approximately 100,000 verified buyers in emerging markets into our community.

New product and market development

Our plans include increasingly specialized online marketplaces, magazines and trade shows – including entries into new geographies – as well as entirely new media formats. For the export sector, we launched new *China Sourcing Fairs* in Miami to serve North and Latin American markets and we are adding Brazil this year. We continue to develop our digital magazines and the online versions of our face-to-face shows.

Expansion in China’s domestic B2B market

It is our goal to become increasingly involved in serving China’s domestic B2B markets.

In the past few years, we have been expanding our operations organically and through M&A, with three acquisitions within the past three years. Shenzhen

has been a key platform for our growing portfolio of shows. Our eMedia joint venture operates China’s leading electronic systems design event, which is in its 14th year. We also now operate two of the top 10 shows in Shenzhen, CIOE for optoelectronics, and now SZIC in the fashion sector.

In early March 2012, we acquired an 80 percent interest in SZIC, also known as the *China International Brand Clothing & Accessories Fair*, for a total cash consideration of up to approximately \$17.3 million. SZIC is one of the most prestigious fashion shows in Asia, and we look forward to developing the show and synergies with our export-focused fashion and garments media.

In addition to Shenzhen, we plan to make Shanghai a regional hub for other trade shows and domestic operations. To support this plan, we purchased office space earlier in the year that we expect to meet our short and medium term needs.

Lastly, with regards to the domestic China market, we now have a community of more than four million registered online users and magazine readers for our Chinese-language media.

Acquisitions, joint ventures and alliances

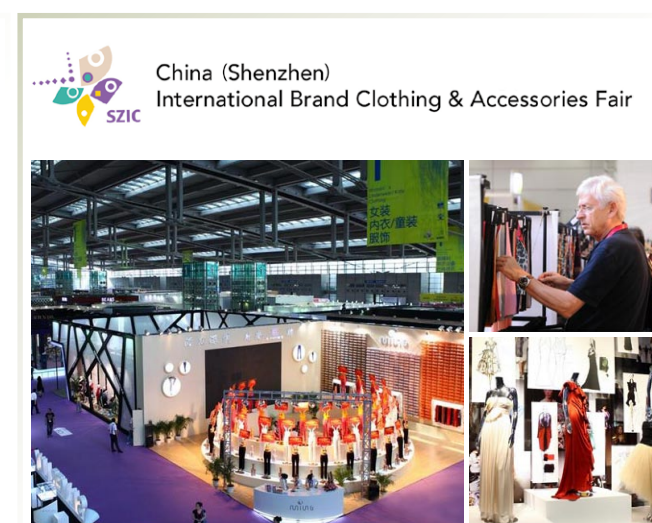
Our objective is to seek complementary businesses, technologies or products that will help us maintain or achieve market leading positions. Priorities include acquiring media properties that will extend and enhance existing brands.

As mentioned briefly above, since 2009 we have established relationships with the *China International Optoelectronic Expo*, the *Electronic Design News Asia* magazines and websites, and the SZIC fashion show.

Year 42 and beyond

Looking to the first half of 2012, we anticipate a challenging economic environment as softness in the European and US import markets is expected to continue. Accordingly, we expect our revenue and earnings will be impacted.

In this environment, our focus is on striking the right balance between controlling costs while still investing in our business. We are cautiously optimistic that the business environment will improve later in the year and



look forward to helping our buyer and supplier communities successfully move through the uncertain economic times ahead. For the longer term, we are very pleased with our progress and market position and are very excited about our future.

Our growth opportunities are based on a large and attractive market opportunity primarily focused on China's exports and domestic B2B market. Our market position includes leadership of the professional segment of the market, which is built on deep relationships with the largest and most active buyers, and a high quality community of export suppliers. Our services include the broadest multi-channel offering in market. Backing it all up is a highly experienced management team, a very strong balance sheet and a 40-plus year uninterrupted track record of profitability.

In closing, since we became a public company in 2000, we have been recognized several times for our excellence in investor relations. In 2011 we were recognized again, this time with *The Asset's* Corporate Awards for excellence in social responsibility and investor relations.

During the year we made major strides to continue developing our management team. Mid-year we announced plans for Peter Zapf and Brent Barnes to transition to the positions of CIO and COO respectively. Peter and Brent each have more than 10 years of experience with Global Sources and they assumed their new roles on January 1, 2012.

Spenser Au succeeded me as CEO as I transitioned to the role of Executive Chairman, where I will oversee the company's mergers and acquisitions as well as investor relations functions. I am proud of what we have accomplished during my 41 years as CEO, and I have the utmost faith that Spenser will lead the company to new levels of success. He is highly respected in the industry and his analytical, execution and leadership skills make him uniquely qualified for the role.

Finally, I want to acknowledge our team members and Board members, whose knowledge, experience and skills represent a considerable competitive advantage – and whose contributions were so instrumental in enabling our 2011 achievements. I also want to thank all of our customers for choosing Global Sources, and all of our shareholders for your continued support.

Sincerely,



Merle A. Hinrichs
Executive Chairman
April, 2012

Management



Merle A. Hinrichs, Executive Chairman

Merle A. Hinrichs is Executive Chairman of Global Sources, Asia's leading business-to-business media company focused on global trade. He co-founded the company in 1970 with the firm conviction that free and mutually beneficial trade between east and west would help drive global economic prosperity, and ultimately, world peace. Mr. Hinrichs graduated from the University of Nebraska with a Bachelor of Arts degree in Business Administration and Mathematics, and from the Thunderbird School of Global Management with a Master's Degree in International Trade. In 1996, the University of Nebraska awarded Mr. Hinrichs an Honorary Doctorate Degree, and in 2010, the Thunderbird School of Global Management conferred upon Mr. Hinrichs the honorary degree of Doctor of International Law, in recognition of, among others, his global mindset and his role as a true global entrepreneur.



Spenser Au, Chief Executive Officer

Spenser Au was appointed Chief Executive Officer on August 18, 2011. Mr. Au was appointed Global Sources' Deputy CEO in October 2009. Mr. Au has been with the Global Sources team for 33 years since joining in 1978 as an Account Executive for Asian Sources Electronics magazine. The positions through which he advanced to senior management included Regional Sales Manager in 1988, Associate Publisher in 1991, Publisher in 1992 and President of Asian Sales in 1999. Mr. Au has a deep knowledge of Greater China and other markets where the company operates. Mr. Au received a Diploma in Business Management in 1977 from the Hong Kong Baptist University.



Brent Barnes, Chief Operating Officer

Brent Barnes is Global Sources' Chief Operating Officer effective from 1 January 2012. Mr. Barnes is responsible for the company's community development, content development, human resources and administration. Early in his career, Mr. Barnes designed and delivered training programs for executives at Ford Motor Co. and Mercedes-Benz. Upon completion of his MBA, Mr. Barnes spent a year working as a Market Analyst for Global Sources in Phoenix, Arizona before moving to Hong Kong to become Executive Assistant to the Chairman & CEO in June of 2000. Since 2003 he has spent time managing each of the core operational departments and assumed the role of General Manager of Content & Community Development in December 2009. Mr. Barnes holds a Bachelor of Arts degree from the University of Texas at Austin and an MBA from the Thunderbird School of Global Management.



Connie Lai, Chief Financial Officer

Connie Lai was appointed Global Sources' Chief Financial Officer on 1 August 2010. Ms. Lai joined Global Sources in June 2007 as Financial Controller, Hong Kong & China. Prior to joining Global Sources, she was Chief Financial Officer and an Executive Director of HC International, Inc., a Hong Kong listed company. Earlier in her career, she spent over four years with PricewaterhouseCoopers Hong Kong. Ms. Lai graduated from the Chinese University of Hong Kong with a bachelor's degree in professional accountancy. She is also a Fellow Member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants in the United Kingdom.



Peter Zapf, Chief Information Officer

Peter Zapf is Global Sources' Chief Information Officer effective from 1 January 2012. Mr. Zapf began his career in software project management with the United States Air Force. He then joined Global Sources in Phoenix, Arizona, working on the development, sales and marketing of the company's early software and e-commerce products. Later, he worked as a Research Analyst at Bear Stearns in New York, focusing on the B2B market, after which he joined Hong Kong-based AsiaCommerce, a startup incubator, as Chief Executive Officer. He rejoined Global Sources in 2001 as Vice President of eCommerce. Mr. Zapf holds a BS in Electrical Engineering and Engineering and Public Policy from Carnegie Mellon University, an MS in Computer Science from Troy State University, and an MBA from the Thunderbird School of Global Management.

Board of Directors



Merle A. Hinrichs



Sarah Benecke



Eddie Heng



Roderick Chalmers*



David Jones*



James Watkins*



Peter Yam*

(Note: * indicates independent director)