



FOR IMMEDIATE RELEASE

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Global Sources reports financial results for the first half of 2016

- Posted revenue of \$81.8 million for the six months ended June 30, 2016 –
- Posted IFRS EPS of \$0.35 and Non-IFRS EPS of \$0.45 for the first half of 2016 –
- Provides guidance for second half of 2016, expects revenue to be between \$74.0 million and \$76.0 million and IFRS EPS to range from \$0.24 to \$0.29 –

NEW YORK, Sept. 15, 2016 – [Global Sources Ltd.](#) (NASDAQ: GSOL) reported financial results for the six-month period Jan. 1, 2016 through June 30, 2016.

Merle A. Hinrich, Global Sources' executive chairman stated: "In the first half of 2016, our April series of trade shows in Hong Kong performed very well, delivering growth in attendance and revenue. *Global Sources Electronics*, our flagship show, featured 5,500 booths from Greater China, Korea and across Asia, with the second phase, *Mobile Electronics*, growing by more than 100 percent in just two years to become the world's largest mobile electronics sourcing show. Now in its second year, *Startup Launchpad* is a conference track and pavilion integrated within both phases of the *Global Sources Electronics* show. *Startup Launchpad* is also the largest collection of consumer electronics startups in Asia.

"Global Sources is focused on connecting buyers worldwide with suppliers in mainland China and Asia. We continue to evolve our offering to address the significant changes that both buyers and suppliers are

experiencing. Key initiatives in our continuing integration of the trade show and online experience include our buyer and supplier apps, and *Analyst's Choice*, the industry's only curated product content.”

Financial highlights – First half: 2016 compared to 2015

- Revenue from continuing operations was \$81.8 million, as compared to \$85.9 million.
 - Exhibitions revenue was \$47.4 million, as compared to \$46.2 million.
 - Online and other media services revenue was \$30.7 million, as compared to \$35.7 million.
- IFRS net profit from continuing operations was \$8.8 million, or \$0.35 per diluted share, as compared to \$8.8 million, or \$0.28 per diluted share from continuing operations.
- Non-IFRS net profit from continuing operations was \$11.3 million, or \$0.45 per diluted share, as compared to \$10.2 million, or \$0.32 per diluted share from continuing operations.
- Adjusted EBITDA from continuing operations was \$16.3 million, as compared to \$17.8 million from continuing operations for the first half of 2015.
- Total deferred income and customer prepayments were \$79.5 million as at June 30, 2016, as compared to \$86.2 million as at June 30, 2015.
- Cash and cash equivalents at June 30, 2016 was \$87.9 million and the company remains debt free.

Global Sources' CFO, Connie Lai, said: “During the first half of 2016, our April series of trade shows in Hong Kong delivered stronger than expected revenue. While the performance of our *Shenzhen International Machinery Manufacturing Industry Exhibition (SIMM)* for the domestic market was in line with expectations, we recorded a write-down of approximately \$1.4 million in consideration of impairment charges net of associated taxes related to the *China International Fashion Brand Fair – Shenzhen (FashionSZshow)*. Our efforts to drive efficiencies throughout the organization, combined with the recognition of deferred tax assets, drove our better-than-anticipated bottom line performance.”

Financial expectations for the second half of 2016 under IFRS

- For the second half of 2016 ending Dec. 31, 2016:
 - Revenue from continuing operations is expected to be in the range of \$74.0 million to \$76.0 million, as compared to \$85.1 million from continuing operations for the second half of 2015.
 - IFRS EPS from continuing operations is expected to be in the range of \$0.24 to \$0.29, as compared to \$0.58 per diluted share from continuing operations in the second half of 2015. SBC

and the amortization of intangibles as it relates to certain equity compensation plans are estimated to be an expense of \$0.05 per diluted share for the second half of 2016.

- Non-IFRS EPS from continuing operations is expected to be in the range of \$0.29 to \$0.34, as compared to \$0.33 per diluted share from continuing operations for the same period in 2015.
- Adjusted EBITDA from continuing operations is expected to be between \$10.7 million and \$11.9 million, as compared to \$13.1 million from continuing operations in the second half of 2015.

Recent Corporate Highlights

- Appointed Ms. Fumbi Chima and Mr. Michael Scown as new members to its Board of Directors effective Sept. 12, 2016.
- The 16th China International Fashion Brand Fair – Shenzhen (*FashionSZshow*) was held in Shenzhen in July 2016.
- Joined the Russell Global Index and the broad-market Russell 3000[®] Index in June 2016.
- *Global Sources* series of spring trade shows were held in April 2016 at Hong Kong's AsiaWorld-Expo, including *Global Sources Electronics*, the world's largest electronics sourcing trade show.
 - In total, the spring trade shows had more than 7,500 booths.
 - Total attendance exceeded 88,400 and included buyers from 150 countries and territories.
- Launched *Smart Living*, a new industry specialized website.
- Launched *Global Sources Startup Tech Investments* to focus on consumer electronics startups.
- *The Shenzhen International Machinery Manufacturing Industry Exhibition* and its related shows, known as the *SIMM* machinery shows, were held on March 29-April 1, 2016.
- Announced retirement of board members Messrs. Roderick Chalmers and Peter Yam effective March 31, 2016.
- Announced CEO Spenser Au plans to retire after 39 years of service to the Company. He will remain engaged until the end of 2016 to assist in the transition to a successor.

Conference call for Global Sources first half 2016 earnings

Executive chairman Merle A. Hinrich and CFO Connie Lai are scheduled to conduct a conference call at 8:00 a.m. ET on Sept. 15, 2016 (8:00 p.m. on Sept. 15, 2016 in Hong Kong) to review these results in more detail. Investors in the United States may participate in the call by dialing (866) 293-8970, and non-Hong Kong international participants may dial (1-913) 312-0702. Investors in Hong Kong may participate by dialing (800) 903-317. The conference ID is 5438015 and participants are encouraged to

dial 10 minutes prior to the call to prevent a delay in joining. A live webcast of the conference call is scheduled to be available on Global Sources' corporate site at <http://www.investor.globalsources.com>.

For those who cannot listen to the live broadcast, a webcast replay of the call is scheduled to be available on the company's corporate site for 30 days. A telephone replay of the call is also scheduled to be available through Sept. 23, 2016. To listen to the telephone replay dial (888) 203-1112 or dial (1-719) 457-0820 outside the United States, and enter pass code 5438015. For those in the Hong Kong area, the replay dial-in number is (800) 901-108, and the pass code is 5438015.

About Global Sources

Global Sources is a leading business-to-business media company and a primary facilitator of trade with Greater China.

The core business facilitates trade between Asia and the world using English-language media such as online marketplaces (GlobalSources.com), trade shows, magazines and apps.

More than 1 million international buyers, including 95 of the world's top 100 retailers, use these services to obtain product and company information to help them source more profitably from overseas supply markets. These services also provide suppliers with integrated marketing solutions to build corporate image, generate sales leads and win orders from buyers in more than 240 countries and territories.

Now in its fifth decade, Global Sources has been publicly listed on the NASDAQ since 2000.

Global Sources' non-IFRS metrics

Management believes non-IFRS metrics are useful measures of operations and provides IFRS to non-IFRS reconciliation tables at the end of this press release. Global Sources defines non-IFRS net profit as IFRS net profit excluding non-cash stock based compensation expense or credit, amortization of intangibles assets as it relates to certain equity compensation plans, profits or losses on acquisitions and disposals of investments, net of transaction costs and related tax expenses and/or impairment charges net of related taxes, for all historical and future references to non-IFRS metrics. Non-IFRS diluted net profit per share is defined as non-IFRS net profit divided by the weighted average of diluted common shares outstanding. Adjusted EBITDA is defined as profit before interest, taxes, depreciation, amortization, non-cash stock based compensation expense or credit, profits or losses on acquisitions and disposals of investments, net of transaction costs and impairment of goodwill and intangible assets.

Safe Harbor Statement

This news release contains forward-looking statements within the meaning of Section 27-A of the Securities Act of 1933, as amended and Section 21-E of the Securities Exchange Act of 1934, as amended. The company's actual results could differ materially from those set forth in the forward-looking statements as a result of the risks associated with the company's business, changes in general economic conditions, and changes in the assumptions used in making such forward-looking statements.

– Tables Follow –

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	As at June 30, 2016 (Unaudited)	As at December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents.....	\$ 79,476	\$ 70,356
Term deposits with banks.....	8,462	9,097
Accounts receivables, net.....	710	849
Receivables from sales representatives.....	14,018	8,802
Inventories.....	102	176
Prepaid expenses and other current assets.....	16,188	16,268
	118,956	105,548
Non-current assets		
Property and equipment.....	64,084	59,064
Investment properties.....	60,585	69,726
Intangible assets.....	22,023	26,309
Long term investment.....	-	100
Deferred income tax assets.....	2,035	389
Other non-current assets.....	1,322	951
	150,049	156,539
Total assets.....	\$ 269,005	\$ 262,087
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable.....	\$ 5,924	\$ 7,383
Deferred income and customer prepayments.....	75,257	75,265
Accrued liabilities.....	16,880	15,183
Income tax liabilities.....	2,692	2,990
	100,753	100,821
Non-current liabilities		
Accounts payable.....	-	289
Deferred income and customer prepayments.....	4,269	2,917
Deferred income tax liabilities.....	3,512	4,493
	7,781	7,699
Total liabilities.....	108,534	108,520
Equity attributable to Company's shareholders		
Common shares.....	536	533
Treasury shares.....	(250,089)	(250,089)
Other reserves.....	156,252	157,562
Retained earnings.....	248,637	239,812
Total Company shareholders' equity.....	155,336	147,818
Non-controlling interests.....	5,135	5,749
Total equity.....	\$ 160,471	\$ 153,567
Total liabilities and equity.....	\$ 269,005	\$ 262,087

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	Six months ended June 30,	
	2016	2015
	(Unaudited)	(Unaudited)
Revenue:		
Exhibitions	\$ 47,413	\$ 46,171
Online and other media services (Note 1)	30,694	35,730
Miscellaneous.....	3,711	4,015
	81,818	85,916
Operating Expenses:		
Sales (Note 2)	22,909	24,693
Event production	13,066	12,224
Community and content (Note 2)	9,011	10,203
General and administrative (Note 2 & 3)	22,334	20,752
Information and technology (Note 2)	5,774	6,452
Total Operating Expenses	73,094	74,324
Profit from Operations	8,724	11,592
Interest income	293	566
Gain on sale of available-for-sale securities	67	136
Profit on sale of investment	43	-
Interest expenses	(16)	(59)
Profit before Income Taxes	9,111	12,235
Income tax credit / (expense)	576	(2,188)
Net Profit from continuing operations.....	\$ 9,687	\$ 10,047
Net Profit from discontinued operations, net of income tax (Note 4)	-	5,406
Net profit	\$ 9,687	\$ 15,453
Net (profit)/loss attributable to non-controlling interests from:		
Continuing operations	(862)	(1,222)
Discontinued operations	-	264
Total.....	(862)	(958)
Net profit attributable to the Company's shareholders from:		
Continuing operations	\$ 8,825	\$ 8,825
Discontinued operations	-	5,670
Total.....	\$ 8,825	\$ 14,495
Diluted net profit per share attributable to the Company's shareholders from:		
Continuing operations	\$ 0.35	\$ 0.28
Discontinued operations	-	0.18
Total	\$ 0.35	\$ 0.46
Shares used in diluted net profit per share calculations	25,358,358	31,534,448

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

Note: 1. Online and other media services consists of:

	Six months ended June 30,	
	2016	2015
	(Unaudited)	(Unaudited)
Online services	\$ 27,686	\$ 33,201
Print services	3,008	2,529
	\$ 30,694	\$ 35,730

Note: 2. Non-cash compensation expenses associated with the several equity compensation plans and Global Sources Directors Share Grant Award Plan included under various categories of expenses are as follows:

	Six months ended June 30,	
	2016	2015
	(Unaudited)	(Unaudited)
Sales	\$ 73	\$ 178
Community and content	18	41
General and administrative	736	768
Information and technology	119	133
	\$ 946	\$ 1,120

Note: 3. General and administrative expenses consist of:

	Six months ended June 30,	
	2016	2015
	(Unaudited)	(Unaudited)
General and administrative expenses before amortization of intangible assets, impairment charge on intangible assets and foreign exchange losses.....	\$ 17,979	\$ 18,305
Amortization of intangible assets	2,042	2,107
Impairment charge on intangible assets	1,902	-
Foreign exchange losses	411	340
	\$ 22,334	\$ 20,752

Note: 4. Net Profit from discontinued operations, net of income tax consist of:

	Six months ended June 30,	
	2016	2015
	(Unaudited)	(Unaudited)
Profit on sale of subsidiary	\$ -	\$ 6,159
Income tax expense	-	(361)
Profit on sale of subsidiary, net of income tax	-	5,798
Loss from discontinued operations, net of income tax...	-	(392)
	\$ -	\$ 5,406

GLOBAL SOURCES LTD. AND SUBSIDIARIES
ACTUAL IFRS to NON-IFRS RECONCILIATION
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	Six months ended June 30,	
	2016	2015
IFRS diluted net profit per share from continuing operations	\$ 0.35	\$ 0.28
IFRS Net Profit from continuing operations	\$ 8,825	\$ 8,825
Non-cash stock based compensation expense (Note 1)	946	1,120
Amortization of intangibles (Note 2)	184	293
Profit on sale of investment	(43)	-
Impairment of goodwill and intangibles (Note 3)	1,426	-
Non-IFRS Net Profit continuing operations	\$ 11,338	\$ 10,238
Non-IFRS diluted net profit per share from continuing operations	\$ 0.45	\$ 0.32
Total shares used in non-IFRS diluted net profit per share calculations	25,358,358	31,534,448

Notes:

- (1) Actual SBC is calculated based on actual share price on date of the awards.
- (2) Amortization of intangible assets relating to certain non-compete agreements.
- (3) Impairment of intangibles are net of related taxes.

GLOBAL SOURCES LTD. AND SUBSIDIARIES
ADJUSTED EBITDA RECONCILIATION
(In U.S. Dollars Thousands)

	Six months ended June 30,	
	2016	2015
IFRS profit from continuing operations	\$ 8,724	\$ 11,592
Depreciation and amortization from continuing operations	4,767	5,038
EBITDA	13,491	16,630
Non-cash stock based compensation expense	946	1,120
Impairment of goodwill and intangibles	1,902	-
Adjusted EBITDA from continuing operations	\$ 16,339	\$ 17,750

GLOBAL SOURCES LTD. AND SUBSIDIARIES
GUIDANCE IFRS to NON-IFRS RECONCILIATION
(In U.S. Dollars Million, Except Number of Shares and Per Share Data)

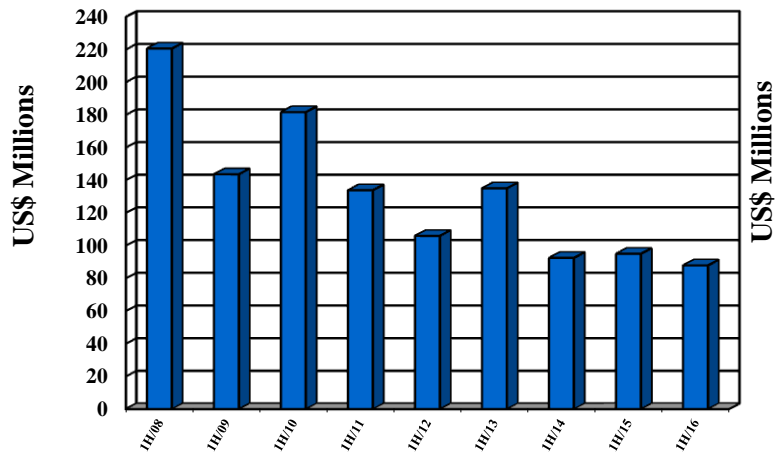
	GUIDANCE		ACTUAL	
	Six months ended December 31, 2016		Six months ended December 31, 2015	
Revenue from continuing operations	\$74.0	to	\$76.0	\$85.1
IFRS EPS from continuing operations	\$0.24	to	\$0.29	\$0.58
Non-cash stock based compensation expense (Note 1)	\$0.04		\$0.04	\$0.04
Amortization of intangibles (Note 2)	\$0.01		\$0.01	\$0.00
Profit on sale of property, net of transaction costs & related tax expenses	\$0.00		\$0.00	(\$0.29)
Non-IFRS diluted net income per share from continuing operations	\$0.29	to	\$0.34	\$0.33
Total shares used in non-IFRS diluted net income per share calculations	25,536,000		25,536,000	26,249,657

Notes:

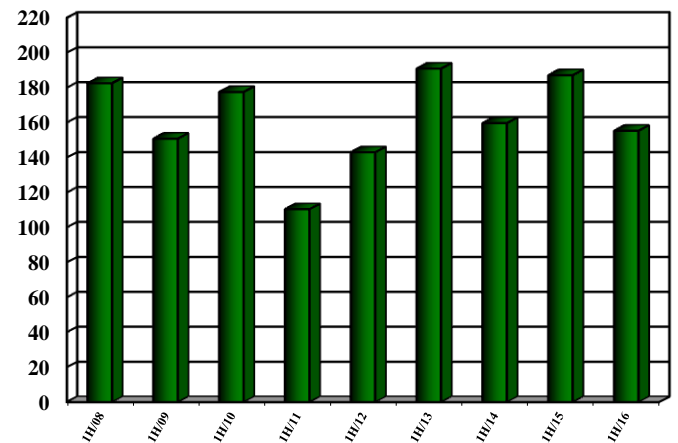
- (1) Actual SBC is calculated based on actual share price on date of the awards.
(2) Amortization of intangible assets relating to certain non-compete agreements.

GLOBAL SOURCES LTD. AND SUBSIDIARIES

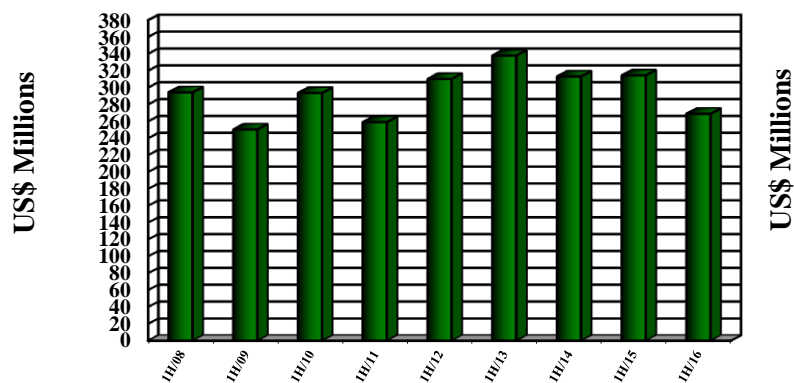
Total Cash and Securities



Total Shareholders' Equity



Total Assets



**Total Deferred Income
Customer Prepayments**

