
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ Registration Statement Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

OR

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2013.

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

OR

☐ Shell Company Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of event requiring this shell company report.....For the transition period
from to

Commission file number 000-30678
GLOBAL SOURCES LTD.
(Exact name of Registrant as specified in its charter)

Global Sources Ltd.
(Translation of Registrant's name into English)

Bermuda
(Jurisdiction of incorporation or organization)

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Global Sources Ltd.
c/o Equitable Accounting Services Limited,
22/F Vita Tower, 29 Wong Chuk Hang Road, Hong Kong
(Name, Telephone, E-mail and /or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, \$0.01 Par Value	NASDAQ Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: NONE

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: NONE

Indicate the number of outstanding shares of each of the issuer’s classes of capital or common stock as of the close of the period covered by the annual report:

34,483,374 common shares, \$0.01 par value, outstanding as of December 31, 2013.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Yes ☐ No ☒

Note-Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If “Other” has been checked in response to the previous questions, indicate by check mark with financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ☐ No ☐

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FORWARD-LOOKING STATEMENTS

Except for any historical information contained herein, the matters discussed in this Annual Report on Form 20-F contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operations and business. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “will” and similar terms and phrases, including references to assumptions. These forward-looking statements involve risks and uncertainties, including current trend information, projections for deliveries, backlog and other trend projections, that may cause our actual future activities and results of operations to be materially different from those suggested or described in this Annual Report on Form 20-F.

These risks include:

- customer satisfaction and quality issues;
- competition;
- our ability to achieve and execute internal business plans;
- worldwide political instability and economic downturns and inflation, including any weakness in the economic and political conditions of countries in the Asia-Pacific region, including China; and
- other factors described herein under “Risk Factors.”

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Given these uncertainties, users of the information included in this Annual Report on Form 20-F, including investors and prospective investors, are cautioned not to place undue reliance on such forward-looking statements. We do not intend to update the forward-looking statements included in this Annual Report on Form 20-F.

In this Annual Report on Form 20-F, except as specified otherwise or unless the context requires otherwise, “we”, “our”, “us”, the “Company”, the “Group” and “Global Sources” refer to Global Sources Ltd. and its subsidiaries. All references to “fiscal” in connection with a year shall mean the year ended December 31.

SPECIAL NOTE ON OUR FINANCIAL INFORMATION PRESENTED IN THIS ANNUAL REPORT

Our consolidated financial statements included in this Annual Report on Form 20-F have been prepared in conformity with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. We adopted IFRS effective as at December 31, 2010. Our consolidated financial statements as of and for the year ended December 31, 2009 were originally prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, and were restated in accordance with IFRS for comparative purposes only.

In accordance with rule amendments adopted by the U.S. Securities Exchange Commission (the “SEC”), which became effective on March 4, 2008, we do not provide a reconciliation to U.S. GAAP.

All financial information contained herein is expressed in United States Dollars, unless otherwise stated.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS
– (Not applicable)

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE
– (Not applicable)

ITEM 3. KEY INFORMATION

Selected Financial Data

The following tables present the selected historical financial data of our company as of and for each of the years in the five-year period ended December 31, 2013. The selected financial information as of and for the years ended December 31, 2013, 2012 and 2011 set forth below are derived from, should be read in conjunction with, and are qualified in their entirety by reference to, the section entitled “Operating and Financial Review and Prospects” and our audited consolidated financial statements and related notes, which are included elsewhere in this document. The consolidated statements of income data for each of the three years ended December 31, 2013, 2012 and 2011 and selected consolidated balance sheet data as of December 31, 2013 and 2012 are derived from, and qualified by reference to, our audited consolidated financial statements included elsewhere in this document. The consolidated statement of income data for the years ended December 31, 2010 and 2009, and the selected consolidated balance sheet data as of December 31, 2011, 2010 and 2009 are derived from our audited financial statements not included in this document.

As disclosed above under “Special Note on Our Financial Information In This Annual Report”, our consolidated financial statements as of and for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 have been prepared and presented in accordance with IFRS, as issued by the International Accounting Standards Board.

	Year ended December 31,				
	2013	2012	2011	2010	2009
(In U.S. Dollars Thousands, Except Number of Shares and per Share Data)					
Income Statement Data:					
Revenue					
Online and other media services	\$ 104,629	\$ 136,101	\$ 141,475	\$ 122,203	\$ 113,775
Exhibitions	85,636	88,782	77,973	69,450	55,147
Miscellaneous	7,257	6,857	5,617	4,996	3,985
	197,522	231,740	225,065	196,649	172,907
Operating Expenses:					
Sales (Note 1)	61,958	80,354	81,363	71,923	63,740
Event production	24,403	26,250	24,637	21,875	18,385
Community and content (Note 1)	27,481	32,696	34,078	31,923	34,524
General and administrative (Note 1)	50,272	44,281	40,660	33,463	30,045
Information and technology (Note 1)	12,729	13,188	12,607	11,839	11,784
Total Operating Expenses	176,843	196,769	193,345	171,023	158,478
Profit on sale of property	15,410	-	-	-	-
Profit from Operations	36,089	34,971	31,720	25,626	14,429
Interest income	1,472	1,044	360	510	981
Share of loss of associate	-	(24)	-	-	-
Gain on sale of available-for-sale securities	64	-	-	1,223	-
Impairment loss on investment in associate	-	(302)	-	-	-
Profit before income taxes	37,625	35,689	32,080	27,359	15,410
Income tax expense	(4,753)	(2,744)	(1,613)	(1,117)	(498)
Net profit	32,872	32,945	30,467	26,242	14,912
Net profit attributable to non-controlling interests	(137)	(739)	(991)	(991)	(618)
Net profit attributable to the Company's shareholders	\$ 32,735	\$ 32,206	\$ 29,476	\$ 25,251	\$ 14,294

Basic net profit per share attributable to the Company's shareholders	\$ 0.95	\$ 0.95	\$ 0.87	\$ 0.63	\$ 0.32
Diluted net profit per share attributable to the Company's shareholders	\$ 0.91	\$ 0.90	\$ 0.83	\$ 0.61	\$ 0.31
Cash dividends declared per share	-	-	-	-	-
Shares used in basic net profit per share calculations	34,426,468	34,017,730	33,742,648	40,283,874	44,546,226
Shares used in diluted net profit per share calculations	36,068,326	35,742,495	35,385,218	41,693,616	45,751,437

	As at December 31,				
	2013	2012	2011	2010	2009

(In U.S. Dollars Thousands Except Number of Shares)

Balance Sheet Data:					
Cash and cash equivalents	\$ 137,359	\$ 104,631	\$ 81,903	\$ 101,298	\$ 91,553
Financial assets, available-for-sale	\$ 6,367	\$ 7,472	\$ 13,250	\$ -	\$ 6,423
Total assets (Note 2)	\$ 339,097	\$ 311,169	\$ 276,330	\$ 225,703	\$ 271,593
Net assets	\$ 213,562	\$ 177,312	\$ 138,554	\$ 102,460	\$ 171,581
Long-term debt, less current portion	\$ 10,251	\$ 15,152	\$ 9,800	\$ 8,107	\$ 4,107
Total Company shareholders' equity (Note 2)	\$ 203,980	\$ 165,920	\$ 129,673	\$ 94,295	\$ 164,067
Common share capital	\$ 525	\$ 521	\$ 518	\$ 516	\$ 514
Common shares outstanding (Note 2)	34,485,771	34,069,363	33,793,948	33,573,540	44,552,642

(Note 1) Non-cash compensation expenses associated with the employee and non-employee equity compensation plans, including the Global Sources Directors Share Grant Award Plan included under various categories of expenses are approximately as follows: sales expenses: \$539 (2012: \$565; 2011: \$737; 2010: \$545; 2009: \$691), community and content: \$43 (2012: \$70; 2011: \$234; 2010: \$284; 2009: \$228), general and administrative: \$1,340 (2012: \$1,524; 2011: \$1,528; 2010: \$1,089; 2009: \$556), and information and technology expenses: \$248 (2012: \$250; 2011: \$278; 2010: \$269; 2009: \$263).

(Note 2) On 24 June 2010, the Board of Directors of the Company authorized a program to repurchase 11,121,000 of our common shares by tender offer at purchase price of \$9.00 per share. Accordingly, in August 2010, we completed the repurchase and paid a total cash consideration of \$100,089. We are holding the repurchased shares as treasury shares.

Risk Factors

In addition to other information in this Annual Report, the following risk factors should be carefully considered in evaluating us and our business. Such factors may have a significant impact on our business, operating results and financial condition. As a result of the risk factors set forth below and elsewhere in this Annual Report, and the risks discussed in our other Securities and Exchange Commission filings, actual results could differ materially from those projected in any forward-looking statements. Such risks and uncertainties are not the only ones facing us. Other risks or events that are not presently known to or anticipated by us, or that we currently deem immaterial, may also adversely affect our business, operating results and financial condition.

The risk factors set forth below are organized into three categories: "Industry Risks", "Company Risks" and "Investment Risks." Within each of these categories, the individual risk factors are arranged in a sequence which roughly corresponds with our view as to their order of significance, beginning with those that we consider to be of higher significance.

Industry Risks

The mainland China market is key to our current and future success and political instability in this market could seriously harm our business and reduce our revenue.

Our customers in mainland China accounted for approximately 83% of our total revenues in 2013. Our dependence on revenue from the mainland China market is significant, and adverse political, legal or economic changes in mainland China may harm our business and cause our revenues to decline.

The Chinese government has instituted a policy of economic reform which has included encouraging foreign trade and investment, and greater economic decentralization. However, the Chinese government may discontinue or change these policies, or these policies may not be successful.

Moreover, despite progress in developing its legal system, mainland China does not have a comprehensive and highly developed system of laws, particularly as it relates to foreign investment activities and foreign trade. Enforcement of existing and future laws, regulations and contracts is uncertain, and implementation and interpretation of these laws and regulations may be inconsistent. As the Chinese legal system develops, new laws and regulations, changes to existing laws and regulations, and the interpretation or enforcement of laws and regulations may adversely affect business operations in and revenue from mainland China.

While Hong Kong has had a long history of promoting foreign investment, its incorporation into China means that the uncertainty related to mainland China and its policies may now also affect Hong Kong.

Exports from mainland China are key to our current and future success and uncompetitive cost conditions in this market, or a potential backlash against mainland Chinese-made products arising from inadequate product safety and quality standards, and/or fraudulent behavior by sellers, could reduce our revenue and seriously harm our business.

Mainland China is the largest supplier of consumer products to the world. Our actual and potential customers are mainly suppliers who are based in mainland China. Should mainland China manufacturers' production costs go up substantially (for example, due to the further appreciation of the Chinese Renminbi ("RMB"), wage and product input price inflation, reduced export rebates and new environmental or labor regulations), products from mainland China may become less competitive on price versus other supply markets. There is also increasing competition from alternative cheaper emerging supply markets in the Asia-Pacific region, such as Vietnam and Indonesia. If products from mainland China become less competitive on price, buyers may shift their production sources or supply sources to other cheaper alternative markets or even bring their production in-house or to their own home countries, which would likely in turn have a negative impact on the demand in mainland China for our various export-focused media and marketing services.

In recent years, there have been several highly publicized incidents involving products made in mainland China not meeting consumer standards in overseas markets. More recently, there have been reports of fraudulent behavior whereby sellers in mainland China have taken orders and payment and then not delivered the products. If these kinds of issues continue or worsen, there may be a strong backlash against products made in mainland China and our business and financial condition may consequently suffer.

International trade, and especially imports from the Greater China region (which includes mainland China, Hong Kong and Taiwan), is subject to political, legal and economic instability, which may inhibit our ability to be successful.

The international markets in which we operate are subject to risks, including:

- fluctuations in regional and/or global economic conditions;
- fluctuations in the availability of trade finance, especially for small and medium enterprises in Greater China region;
- fluctuations in currency exchange rates;
- governments could increase trade protection measures including tariffs, quotas, import duties or taxes, thereby significantly reducing demand for imported goods;
- political instability;
- the threat of terrorist attacks;
- conflicting and/or changing legal and regulatory requirements;

- restrictions placed on the operations of companies with a foreign status;
- significant changes in tax laws and regulations (or the interpretation, practice or policies in respect thereof by tax authorities), tax rates and tax reporting requirements;
- the loss of revenues, property and equipment from expropriation, nationalization, war, insurrection, terrorism and other political risks;
- adverse governmental actions, such as restrictions on transfers of funds; and
- oil embargoes or significant increases in oil prices.

In 2013, we derived approximately 95% of our revenues from customers in the Greater China region. We expect that a majority of our future revenues will continue to be generated from customers in this region. At the time of the Asian economic crisis of 1997 and 1998, and the global financial crisis of 2008 and 2009, our revenues and operating results were adversely affected, and our sales declined. Future reductions in trade between Greater China and the world may cause our business to be harmed and our revenues to decrease.

Our industry is intensely competitive, evolving and subject to rapid change. If we are unable to compete effectively, we will lose current customers and fail to attract new customers. If that happens, our business may not be successful and our financial condition may be adversely affected.

Our industry is intensely competitive, particularly in the online space, which is becoming increasingly crowded with new market participants. Barriers to entry are minimal, and competitors are able to launch new websites and other media at a low cost. We constantly face threats from competition, including from non-traditional competitors and new forms of media. We compete for our share of customers' marketing and advertising budgets with other online marketplaces, trade publications and trade shows. Competitors vary in size, geographic scope, industries served and breadth of the products and services offered. We may encounter competition from companies which offer more comprehensive content, services, functionality and/or lower prices. We may also encounter competition from companies offering software services and e-commerce transactional platforms.

Many of our current and potential competitors may have greater financial, technical, marketing and/or other resources than we have. Also, others may have more experience and greater name recognition. In addition, many of our competitors may have established relationships with one another and with our current and potential suppliers and buyers and may have extensive knowledge of our industry. Current and potential competitors have established or may establish cooperative relationships with third parties to increase the ability of their products to address customer needs. Accordingly, our competitors may develop and rapidly acquire significant market share.

We endeavor to monitor significant business, market, competitive, financial, economic, political, legal, regulatory and/or other relevant trends and developments in the various markets and jurisdictions in or with which we actually or may potentially conduct our business and/or operations; to evaluate the corresponding opportunities and/or risks for us, if any; and to strategize, adapt and respond as appropriate (in which case we may have to incur significant expenditures to implement our strategies). However, we may not always be successful in correctly spotting, evaluating, appreciating the extent, significance or impact of, or in implementing appropriate strategies, initiatives or other measures in response to, such trends, developments, opportunities and risks; or we may fail or be unable to do so in a timely manner or at all. If that happens, we may fail to adapt and compete effectively and to grow our business and revenues, or we may incur significant costs to address lost time and opportunity, or we may suffer other costs or adverse consequences; in which event, our business and financial condition could thereby be harmed.

Current and future economic uncertainty, slowdowns, or recessions have reduced and may continue to reduce demand and spending for business-to-business marketing services. This has in the past adversely affected and could in the future adversely affect our revenues and operating results.

The revenue and profitability of our business depends significantly on the overall demand for business-to-business media services. We believe that the demand for these services of ours is subject to a number of potentially negative factors, such as the large recent decline in global trade, the fact that many economies in the world have recently been in a recession and ongoing economic uncertainties. In addition, potential sovereign debt risks could adversely affect foreign trade. Accordingly, the overall level of global demand for mainland China's and Asia's exports may not be sustainable in the foreseeable future.

As a result of the global market conditions, we may incur operating losses and net losses in the future, and we may not be able to achieve positive cash flow from operations. We have a significant fixed operating expense, which may be difficult to adjust in response to unanticipated fluctuations in revenues.

We depend upon Internet search sites and other online marketing channels to attract a significant portion of the users who visit our websites, and if we were listed less prominently in Internet search result listings, or if we are unable to rely on our other online marketing channels as a cost-effective means of driving visitors to our websites, our business, operating results and financial condition could be harmed.

We derive a significant portion of our website traffic from users who search for content through Internet search sites, such as Google, Baidu, Bing and other Microsoft-powered search sites. A critical factor in attracting users to our websites is whether we are prominently displayed in such Internet search results.

Search result listings are determined and displayed in accordance with a set of formulas or algorithms developed by the particular Internet search site. The algorithms determine the order of the listing of results in response to the user's Internet search. From time to time, search sites revise these algorithms. In some instances, these modifications may cause our websites to be listed less prominently in unpaid search results, which will result in decreased traffic from search site users to our websites.

Our websites may also become listed less prominently in unpaid search results for other reasons, such as search site technical difficulties, search site technical changes and changes we make to our websites. In addition, search sites have deemed the practices of some companies to be inconsistent with search site guidelines and have decided not to list their websites in search result listings at all. If we are listed less prominently or not at all in search result listings for any reason, the traffic to our websites will likely decline, which could harm our operating results. If we decide to attempt to replace this traffic, we may be required to increase our marketing expenditures, which also could harm our operating results and financial condition.

We also rely on other online marketing channels (such as "pay per click" marketing) as an important means of driving visitors to our websites. However, the cost of such online marketing channels can change very frequently (often daily), and it is unclear whether such online marketing channels will remain cost-effective for us. If we are unable to rely on such online marketing channels as a cost-effective means of driving visitors to our websites, our business, operating results and financial condition could be harmed; or if we continue to rely on such marketing channels despite their increased costs, our marketing expenditures will increase, which also could harm our operating results and financial condition.

Digital magazines may not become widely adopted and this may have an adverse effect on our competitive position.

Technology, particularly digital technology used in the media industry, continues to evolve rapidly, and advances in that technology have led to alternative methods for the distribution of magazine content. Many publishers including ourselves have launched various types of digital magazines, often to complement print magazine editions. Our initiatives may not become widely adopted by buyers and other users, or advertisers, which could have a significant adverse effect on our competitive position and our businesses and results of operations.

Evolving regulation of the Internet and commercial e-mail may affect us adversely.

As Internet commerce continues to evolve, increasing legislation and regulation by governments and agencies become more likely. We use e-mail as a significant means of communicating with our existing and potential customers and users. We also provide "@globalsources.com" e-mail addresses to our clients, for their use. The laws and regulations governing the use of e-mail for marketing purposes continue to evolve, and the growth and development of the market for commerce over the Internet may lead to the adoption of additional legislation and/or changes to existing laws. Existing, new or additional legal prohibitions on the transmission of unsolicited commercial e-mail (commonly known as "spam"), coupled with aggressive enforcement, could reduce our ability to promote our services in a cost-efficient manner and our ability to facilitate communications between suppliers and buyers and, as a result, adversely affect our business and financial condition.

In addition to legal restrictions on the use of e-mail, Internet service providers, various operators of Internet mailbox services, anti-spam organizations and others typically attempt to block the transmission of unsolicited e-mail and are increasing the number and volume of unsolicited e-mails they are blocking. With this increasing vigilance also comes an increased rate of “false positives”, i.e. legitimate e-mails being wrongly identified as “spam.” If an Internet or other service provider or software program identifies e-mail from us (or from our clients to whom we have provided “@globalsources.com” e-mail addresses) as “spam”, we could be placed on a restricted list that would block our e-mails to our actual or potential customers or users who maintain e-mail accounts with these Internet service or other providers or who use these software programs or our e-mails could be routed to bulk folders and ignored. If we are unable to communicate by e-mail with our actual or potential customers or users as a result of legislation, blockage of our e-mails, routing of our e-mails to bulk folders, or otherwise, our business, operating results and financial condition could be harmed.

In addition, taxation of products and services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may also be imposed. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business, operating results and financial condition.

The laws governing Internet transactions and market access over the Internet are evolving and remain largely unsettled. The adoption or modification of laws or regulations relating to the Internet may harm our business and financial condition by increasing our costs and administrative burdens. It may take years to determine whether and how existing laws apply to the Internet.

Changes in laws and regulations could adversely affect our business, operating results and financial condition.

It is possible that new laws and regulations or new interpretations of existing laws and regulations in the United States, the European Union, mainland China and elsewhere will be adopted covering issues affecting our business, including:

- privacy, data security, the use of “cookies” and the use of personally identifiable information;
- copyrights, trademarks and domain names; and
- marketing practices, such as telemarketing, e-mail or direct marketing or online behavioral advertising.

Increased government regulation of, or the application of existing laws to, online activities or other relevant business, operational or marketing practices, could:

- decrease the growth rate of our business;
- reduce our revenues;
- increase our operating expenses; or
- expose us to significant liabilities.

Furthermore, the relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is still evolving. Therefore, we might be unable to prevent third parties from acquiring domain names that infringe or otherwise decrease the value of our trademarks and other proprietary rights. Any impairment in the value of these important assets could cause our share price to decline. We cannot be sure what effect any future material non-compliance by us with these laws and regulations or any material changes in these laws and regulations could have on our business, operating results and financial condition.

We endeavor to monitor significant relevant legal and regulatory developments that could impact our business and operations. However, we may not always be successful in correctly spotting, evaluating, appreciating the extent, significance or impact of, or in adapting and implementing appropriate measures in response to, such developments; or we may fail or be unable to do so in a timely manner or at all. If that happens, we may incur significant legal liabilities, costs in mitigating or otherwise addressing the issue, or other adverse consequences, and our business, operating results and financial condition could thereby be harmed.

Changes in laws and standards relating to data collection and use practices and the privacy of Internet users and other individuals could impair our efforts to maintain and grow our audience and thereby decrease our advertising revenue.

We collect information from our users who register for services or respond to surveys. Subject to each user's permission (or right to decline), we may use this information to inform our users of products and services that may be of interest to them. We may also share this information with our advertising clients for those who have granted us permission to share their information with third parties. In addition, we also use "cookies" in our websites and engage in various online behavioral advertising practices. Governments in various jurisdictions, including the United States and the European Union, have adopted or proposed limitations on the collection, distribution and use of personal information of Internet users. In addition, growing public concern about privacy, data security, the use of "cookies", and online behavioral advertising practices, has led to or may result in increased legal and governmental regulation, and/or self-regulation of these practices by the Internet advertising and direct marketing industry. Because many of the proposed laws or regulations are in their early stages, we cannot yet determine the impact these regulations may have on our business and financial condition over time. Although, to date, our efforts to comply with applicable laws and regulations have not hurt our business and financial condition, additional or more burdensome laws or regulations, including consumer privacy and data security laws, could be enacted or applied to us or our customers. Such laws or regulations could impair our ability to collect user information that helps us to provide more targeted advertising to our users, thereby impairing our ability to maintain and grow our audience and maximize advertising revenue from our advertising clients.

Customer or user concerns regarding Internet security or fraud may deter the use of our online products and services.

Widely publicized security breaches or fraud involving the Internet or online services generally, or our failure to prevent security breaches or fraud by our customers or users, or "phishing" activities by third parties who masquerade as us, or as our customers or users, in an attempt to obtain personal data from our other customers or users, or computer malware, viruses or hacking activities occurring on or through the Internet or our systems, may harm our reputation and cause our current and potential customers and users not to use our products and services, thereby adversely affecting our revenues. We may be required to incur additional costs to protect against security breaches and fraud, or to alleviate problems caused thereby. Our business and financial success depends on our reputation and our customers' and users' confidence in the security of our products and services and our anti-fraud measures. ■

Foreign exchange rate fluctuations may have a material impact on our operating results, revenues, and profits.

Because we operate internationally and report our operating results, revenues and profits in United States Dollars ("U.S. Dollars"), foreign exchange rate fluctuations, especially in the RMB and other Asian currencies, may have a material impact on our operating results.

The RMB has strengthened during the last few years against the U.S. Dollar. Although we bill in RMB and have expenses in RMB in mainland China, if the RMB appreciates further, our current and potential supplier customers may become less competitive with suppliers from other regions, leading to less demand for our advertising services.

In addition, we have investments in operations and commercial properties in mainland China, the net assets of which are exposed to foreign currency translation risks. Further, we have significant amounts of deposits denominated in RMB, which are kept with commercial banks located in Hong Kong, and which are exposed to foreign currency fluctuation risks.

To the extent significant currency fluctuations occur in the RMB and other Asian currencies, our financial condition and results of our operations may be adversely affected.

Currently, we do not hedge our exposure to foreign currency fluctuations.

Magazine advertising has declined in recent years and may continue to decline, which could adversely impact our revenue.

In the past years, global business-to-business print advertising has significantly declined which has led to a decrease in our print advertising revenue. Print advertising is generally facing many challenges and may continue to decline and not recover. The growth in alternative forms of media, such as the internet, has increased the competition for advertising dollars, which in turn could reduce the levels of expenditures for magazine advertising or suppress magazine advertising rates. Our customers may decide to use less print advertising as part of their overall marketing campaigns and the rates we charge for print advertising may decline, thereby adversely affecting our revenue.

The successful operation of our business depends significantly on the quality, performance and reliability of the telecommunications and Internet infrastructure globally, and especially in mainland China and the Asia-Pacific region, where we derive most of our revenue and where the vast majority of our sales representatives are located.

We derived approximately 46% of our revenue from Internet-related services in 2013 and poor performance or failures of the telecommunications and internet infrastructure anywhere in the world could negatively impact our business.

We are likely to continue to derive the majority of our Internet-based marketplace business and revenues from mainland China and the Asia-Pacific region.

The quality, performance and reliability of some of the telecommunications and Internet infrastructure and telephone line availability in mainland China and many other countries in the Asia-Pacific region could fail and/or become unreliable.

In mainland China, almost all access to the Internet is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the government authorities. In addition, the national networks are connected to the Internet through international gateways controlled by the mainland China government. These international gateways are the only channels through which a mainland China user can connect to the Internet. We cannot assure that a more sophisticated or flexible Internet infrastructure will be developed in mainland China. Our mainland China users may not have access to alternative networks in the event of disruptions, failures or other problems with mainland China's Internet infrastructure. Furthermore, the Internet infrastructure in mainland China may not support the demands associated with continued growth in Internet usage.

These issues and problems may contribute to lower than expected adoption of many of our services and may cause our growth and revenues to fall below expectations, or we may have to incur significant costs to address or mitigate them, thereby adversely affecting our profitability.

Outbreaks of H1N1, avian influenza, Severe Acute Respiratory Syndrome ("SARS") or other widespread public health problems could adversely affect our business and financial condition.

In the event of future outbreaks of H1N1, avian influenza, SARS or other widespread public health problems, some ways in which our business and financial condition might be adversely affected could include the following:

- quarantine or travel restrictions (whether required by government or public health authorities, or self-imposed) could result in the closure of some of our offices and other disruptions to our operations;
- sickness or death of our key officers and employees;
- a general slowdown in international trade and the global economy;
- our trade shows may have to be cancelled; and
- exhibitor and visitor participation at our trade shows could be significantly curtailed or otherwise adversely affected.

Climate change and other environment-related regulations in supply markets and overseas demand markets could increase the costs of certain groups of our supplier and/or buyer community, or otherwise harm their business or financial viability. As a result, they may reduce or cease their usage of our services, thereby adversely affecting our revenue.

In many jurisdictions, there is a growing trend of increasing concerns, and legal, regulatory, political and policy developments, in the area of climate change and other environmental issues. These may discourage, or may involve the imposition of certain prohibitions, restrictions, standards, levies and/or taxes in respect of, certain types of manufacturing processes, products and/or imports, which may in turn increase the costs of affected manufacturers, suppliers, exporters, buyers and/or importers or otherwise harm their business or financial viability. Those of our supplier and/or buyer community who are so affected may consequently reduce or cease their usage of our services, in which case our revenue would be adversely affected.

Company Risks

Online advertising rates in our sectors have declined over the past few years, and if we are not able to slow or reverse this trend or to substantially grow the total number of customers using our services, our operating results and financial condition could be adversely affected.

The marketing and pricing decisions of our competitors strongly influence our business and therefore affect our financial condition. For example, in mainland China, online advertising rates in our sectors have declined over the past few years. If online advertising rates continue to decline, if customers choose lower value packages, or if we are unable to make up for such declines by growing our customer base, our business and financial condition could suffer.

If our current and potential customers are not willing to renew and adopt our services, we may not attract and retain a critical mass of customers, our business may not be successful, and our financial condition could be adversely affected.

Our services will be attractive to suppliers only if buyers use our services to identify suppliers and purchase their products. The content, products and suppliers currently available through our various media, or made available by suppliers, may not be sufficient to attract and retain buyers as users of our services. In addition, customers for our core export marketing services may reduce their focus on exports and shift more of their focus and marketing on the mainland China domestic market, where our products and services are generally less developed and extensive.

If buyers and suppliers do not accept our media and services, or if we are unable to attract and retain a critical mass of buyers and suppliers for our media and services, our business will suffer and our revenues may decrease.

Generally, suppliers' advertising contracts with us for our online and print media are for 6 to 24 months in duration, while most booth contracts are for China Sourcing Fairs that will be held within the next 24 months. A significant percentage of our customers do not renew their contracts and we experience high customer turnover from year to year. If we cannot replace non-renewing customers with new customers, our business and financial condition could be adversely affected.

We may not innovate at a successful pace, which could harm our operating results and financial condition.

Our industry is rapidly adopting new technologies and standards to create and satisfy the demands of users and advertisers. It is critical that we continue to innovate by anticipating and adapting to these changes to ensure that our content-delivery platforms and services remain effective and interesting to our users, advertisers and partners. In addition, we may discover that we must make significant expenditures to achieve these goals. If we fail to accomplish these goals, we may lose users and the advertisers that seek to reach those users, which could harm our operating results and financial condition.

We may not be successful in identifying, financing, consummating and/or effectively integrating acquisitions, joint ventures or strategic alliances, in order to expand our business. In such event, our operating results and financial condition could be adversely affected.

We are regularly evaluating potential strategic acquisitions, joint ventures, alliances or other investments, or other opportunities for growth. We believe that these are key components of our business strategy. However, we may not be successful in identifying such opportunities, or we may not be able to negotiate satisfactory terms or consummate them successfully, or we may not have sufficient access to capital to enter into or to take advantage of them. In these circumstances, our growth potential, competitiveness and/or business success, and therefore our financial condition, may be harmed.

If we do identify and consummate such opportunities, there is still a risk that we may not be able to integrate any new businesses, products or technologies into our existing business and operations, or to manage our relationships with our joint venture or alliance partners successfully. Alternatively, even if we are successful in doing so, we may not achieve expected results, or we may not realize other expected benefits. In such circumstances, our financial condition could be adversely affected.

In order to finance such opportunities, we may use equity securities, debt, cash, or a combination of the foregoing. Any issuance of equity securities or securities convertible into equity may result in substantial dilution to our existing shareholders, reduce the market price of our common shares, or both. Any debt financing is likely to have financial and other covenants based on our performance, results or other conditions, and there could be an adverse impact on us if we do not observe, maintain, achieve or comply with applicable financial covenants, such as minimum performance results, or other conditions. In addition, the related increases in expenses could adversely affect our operating results and financial condition.

We may be required to record an impairment charge to earnings if our goodwill or amortizable intangible assets become impaired.

We are required to test goodwill for impairment at least annually and to review our amortizable intangible assets for impairment whenever events or changes in circumstance indicate that the carrying amounts may not be recoverable. The carrying amounts of goodwill and intangible assets as of December 31, 2013 were approximately \$2.5 million and \$18.9 million respectively. During the year ended December 31, 2013, we recorded an impairment charge of \$8.5 million on goodwill and intangible assets relating to one of our investments relating to our FashionSZshow exhibition business. Significant adverse changes in the business climate, or economic, competitive and other factors, may affect the value of goodwill and identifiable intangible assets. If any of these factors impair the value of these assets, accounting rules would require that we reduce their carrying value and recognize an impairment charge, which would reduce our reported assets and earnings in the year in which the impairment charge is recognized.

There are various factors that could adversely affect our ability to operate our China Sourcing Fair trade show businesses successfully and profitably.

We expect that a significant portion of our future revenues will continue to be derived from our trade show business and in 2014 we are scheduled to hold nearly 50 trade shows. Our China Sourcing Fairs attract exhibitors from Greater China and the rest of Asia, and attendees from all over the world, and represent the great majority of our trade show business.

In 2013, a majority of our exhibitions revenue was derived from our China Sourcing Fairs, which contributed substantially to our success. The first China Sourcing Fair was held in Shanghai (China) in 2003, and the first of our series of China Sourcing Fairs in Hong Kong (China) was launched in April 2006. Our China Sourcing Fairs have since been expanded to Johannesburg (South Africa), Miami (the United States) and Sao Paulo (Brazil).

Our China Sourcing Fairs may continue to be expanded into new categories and locations and we are uncertain as to our ability to attract and retain the quality and quantity of exhibitors and buyers that would enable such new trade show initiatives to be successful.

Also, because of the complexities, competition and uncertainties associated with the expansion of our shows into new categories and locations, we may not achieve our desired sales objectives. Furthermore, in order to implement our trade show growth strategy and/or to cope with the scope or speed of expansion of our trade shows, our management, personnel and other resources may be strained and/or we may have to continue hiring additional personnel and incurring additional expenditures. In addition, our new or expanded trade show initiatives may erode the customer base of our own other pre-existing trade shows. If we are unable or fail to manage these issues and execute the operations appropriately and effectively, it would jeopardize our ability to be successful in the trade show business and adversely affect our financial condition.

From time to time, we may also discontinue our China Sourcing Fairs in a particular location, due to a reduction of exhibitor-interest and/or buyer-demand resulting from changes in the market conditions associated with that location or due to other factors such as those described above and below. Any such discontinuation could have an adverse impact on our overall trade show revenues.

We rely heavily on cooperation with various government bodies, trade associations and other relevant parties for marketing and selling booths to exhibitors. The availability of government subsidies to exhibitors in some jurisdictions (e.g. mainland China) is also a significant factor in attracting exhibitors to our trade shows. If we fail to achieve such cooperation or if such cooperation is unsuccessful, or if government subsidies are not available or granted or are withdrawn, the success of our trade show business could be jeopardized, and our operating results and financial condition may be adversely affected.

Our China Sourcing Fairs businesses also require us to make substantial non-refundable deposits and progress payments to secure desirable venues and dates far in advance of conducting the trade show. The market for desirable dates and locations is often highly competitive and critical to the success of the show. If we cannot secure desirable dates and locations for our trade shows, their profitability and future prospects would suffer, and our financial condition and operating results would be materially and adversely affected.

Several other factors could also negatively affect our financial performance in this business, including:

- natural catastrophes, labor strikes and transportation shutdowns;
- the spread of H1N1, avian influenza, SARS and other similar epidemics;
- political instability and the threat of terrorist attacks;
- conflicting and/or changing legal and regulatory requirements;
- changing and/or adverse governmental policies and actions;
- decrease in demand for booth space;
- we may not always be able to obtain the required trade show licenses (where applicable), which may limit the number of trade shows we are able to hold;
- our sales representative companies' inability to effectively expand their staff and infrastructure;
- inability to renew our venue contracts on favorable terms or at desired times;
- a slowdown in product demand from outlet markets; and
- sudden closure of event venue sites due to unforeseen circumstances.

In view of the various risks outlined above, we can give no assurances that our operation of the trade show business will be instrumental to our success or that our financial condition will not be adversely affected.

Our China Sourcing Fairs in Hong Kong face various competitive threats that may adversely affect their success, profitability and viability.

There are substantial and long-established trade shows in Hong Kong and southern mainland China which compete with our China Sourcing Fairs in Hong Kong, and which now have access to expanded venue space. Many of these competing trade show events and/or venues are owned and/or organized by, and/or sponsored, funded, endorsed and/or otherwise strongly supported by, governmental or statutory bodies, who may continue to further develop and/or expand such trade show events and/or venues in competition with ours or engage in other competitive actions. For example, the Hong Kong Trade Development Council (“HKTDC”), a government-subsidized statutory body and the largest trade show organizer in Hong Kong, competes aggressively with our China Sourcing Fairs at the AsiaWorld-Expo exhibition venue in Hong Kong. The HKTDC is also a co-owner of the Hong Kong Convention and Exhibition Centre (“HKCEC”), and is able to secure and has secured most of the favorable exhibition venue time-slots at the HKCEC for the HKTDC’s own trade shows. The HKCEC was recently expanded, and the HKTDC and the HKCEC (as well as other exhibition organizers and trade associations) have from time to time been pressing the Hong Kong government to consider supporting a further expansion (“Phase 3”) of the HKCEC. There have also been some industry and political pressures for more large-scale convention and exhibition centers to be built in Hong Kong. As a result of such developments, and especially if HKCEC Phase 3 proceeds or other exhibition venues are built, our overall competitiveness may be harmed, we may not be able to attract the desired quantity and quality of exhibitors and buyers to our trade shows, and the viability of our trade show business may be jeopardized.

The long-term growth and viability of our China Sourcing Fairs in Hong Kong depend significantly on the continued or improved attractiveness of the AsiaWorld-Expo exhibition venue (at which they are held) to exhibitors and buyers. If the economic, transportation, urban, tourism and other infrastructures and developments surrounding the AsiaWorld-Expo (which is located near the Hong Kong International Airport) are not further planned, built, improved and implemented appropriately or at all, and we are unable to secure bookings at and switch to other more attractive alternative exhibition venues for our Hong Kong trade shows, the overall competitiveness and viability of our trade show business may be jeopardized.

In addition, in June 2012, the Hong Kong government adopted a competition law that prohibits any agreement or concerted practice amongst undertakings, or any conduct by an undertaking with a substantial degree of market power, that has the object or effect of preventing, distorting or restricting competition in Hong Kong. This new competition law would apply to private enterprises, but at the same time all Hong Kong statutory bodies (such as the HKTDC) would be excluded from the application of the new competition law, unless Hong Kong’s Chief Executive-in-Council specifies, through subsequent regulations, which statutory bodies are not to be exempted. During the Hong Kong Legislative Council’s debate concerning this new law, the Hong Kong government indicated that the HKTDC would not be one of the “non-exempted” statutory bodies covered by any such regulation to be made by Hong Kong’s Chief Executive-in-Council. If so, this means that while we will have to comply with the Hong Kong competition law regime, the HKTDC need not, thereby resulting in an uneven playing field that could jeopardize the competitiveness and viability of our trade show business in Hong Kong.

The loss of one or more of our executive officers could harm our business and financial condition.

Our growth and success depend significantly on the continued services of our executive officers and other key members of our management. The loss of their services and/or that of other key executives, including our executive chairman, chief executive officer, chief financial officer, chief operating officer and chief information officer, or senior management personnel of our acquired subsidiaries, or significant changes in our executive management team, whether as a result of resignation, service termination, retirement, succession planning or otherwise, may be disruptive to our business and operations and/or could jeopardize the success and viability of our business and financial condition. If competitors hire our key personnel, it could allow them to compete more effectively by diverting customers from us and facilitating more rapid development of their competitive offerings.

We may not be able to attract, hire and retain qualified personnel cost-effectively, which could impact the quality of our content and services and the effectiveness and efficiency of our management, resulting in increased costs and jeopardizing the success and viability of our business and financial condition.

Our success depends on our ability to attract, hire and retain at commercially reasonable rates, qualified technical, sales support management, marketing, customer support, financial and accounting, legal and other managerial

personnel. The competition for personnel in the industries in which we operate is intense. Our personnel may terminate their employment at any time for any reason. Loss of personnel may also result in increased costs for replacement hiring and training. If we fail to attract and hire new personnel or retain and motivate our current personnel, we may not be able to operate our businesses effectively or efficiently, serve our customers properly, or maintain the quality of our content and services. If this were to occur, our financial condition could be adversely affected.

We rely heavily on independent sales representative companies for the sales and marketing of our products and services. If we lose the services of these sales representative companies or their employees, or if they perform poorly, or if we fail to effectively manage our relationship with them, our business and revenues could be harmed.

We have agreements with various independent sales representative companies, whom we rely heavily upon for the sales and marketing of our products and services. Eight main sales representative companies in mainland China were responsible for approximately 74% of our total revenues for the year ended December 31, 2013. These independent sales representatives collect cash from our customers on our behalf and deposit such collections into designated bank accounts owned by them whereby, for managing the credit risks, our senior employees are the authorized signatories to withdraw cash from such bank accounts in China. Generally, either we or the sales representative companies may terminate the service agreement between them and us upon short notice. It is possible that we may not retain some of our sales representative companies, or they may not retain some of their sales personnel (due to competition from other companies in hiring and retaining sales personnel) or be able to replace them with equally qualified personnel. Furthermore, if a sales representative company terminates its agreement with us, some of our customers with a direct relationship with that sales representative company or its personnel may terminate their relationship with us. Although these sales representative companies and their employees are independent from us, there can be no assurance that our reputation and our business, and our financial condition, will not be harmed by their acts or omissions. If sufficient numbers of employees are not recruited, or properly trained, integrated, motivated, retained and managed, by these sales representative companies, or if they or their employees perform poorly or fraudulently, or otherwise fail to perform their roles and responsibilities adequately, appropriately or as required, or if our relationships with these sales representative companies fail or deteriorate or we are otherwise unable or unsuccessful in effectively managing our relationship with them, our business and revenues may be harmed. In addition, although we have long standing relationships with a majority of these independent sales representatives, for whom there is no recent history of default in transferring client payments received by them to us, if any of these sales representatives go bankrupt or otherwise fail to transfer such moneys to our own bank accounts, we could be exposed to credit risk.

Our lengthy sales and implementation cycle could cause delays in concluding sales contracts with customers, thereby adversely affecting our business objectives and success, and therefore our financial condition.

The period between our initial contact with a potential customer and the purchase of our products and services is often long and unpredictable and may have delays associated with the lengthy budgeting and approval processes of our customers. This lengthy sales and implementation cycle may affect our ability to estimate our revenue in future quarters and could cause delays in the conclusion of sales contracts with customers, thereby adversely affecting our business objectives and success, and therefore our financial condition.

Our plans to expand into the mainland China domestic business-to-business market may fail or underperform.

We have various media properties serving the mainland China domestic market and we intend to grow this, in particular by adding online services and trade shows. We are generally less competitive in this market than the export market and may not be successful. Competition is intense and price points tend to be very low, which may adversely affect the success of our plans to expand into the mainland China domestic business-to-business market.

We could be subject to additional income tax liabilities.

We are subject to income taxes in numerous jurisdictions. Significant judgment is required in evaluating our worldwide provision for income taxes. During the ordinary course of business, there are many transactions for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates; by changes in the valuation of our deferred tax assets and liabilities; or by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations. We are subject to potential or actual tax reviews in various jurisdictions, and such jurisdictions may assess additional income tax against us. Although we believe our tax estimates are reasonable, the final determination of such tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. The results of a tax audit or related litigation could have a material adverse effect on our operating results or cash flows.

The failure of or security breaches to our computer systems, network and communications hardware and software could materially and adversely affect our business, operating results and financial condition.

Our business depends on the high availability, good performance and strong security of our computer systems, network, and associated hardware and software. Any system interruptions, poor performance or security breaches impacting on Global Sources Online or any of our online sites may drive buyers and other registered users away and reduce the attractiveness of these sites to advertisers, therefore adversely affecting our business, operating results and financial condition.

We host our key customer-facing computer systems with major Internet Service Providers (ISPs) and data center facilities in Hong Kong. Interruptions to these service providers' and/or their partners' hosting services could result from natural disasters as well as catastrophic hardware failures, software problems, extended power loss, telecommunications failure and similar events. While these service providers may have their own disaster recovery capabilities and/or be able to provide us with disaster recovery facilities on request in such circumstances, nevertheless, if there is any failure, inability or delay on their part in providing such disaster recovery facilities as committed, serious and prolonged disruptions to our systems and services could result.

Although we support the integrity of our security with IDS (Intrusion Detection Systems), anti-virus and other tools as a precaution against computer malware, viruses, hackings, denial-of-service and other cyber intrusions, such security systems and programs are not completely foolproof or error-free, and new updates to deal with the latest viruses or security threats may not yet be available or may not yet have been implemented. Hence, security breaches could still occur, and we cannot give any assurances that we will always be able to prevent individuals from gaining unauthorized access to our servers. Any such unauthorized access to our database servers, including abuse by our employees, could result in the theft of confidential customer or user information contained in our database servers. If such confidential information is compromised, we could lose customers or become subject to liability or litigation and our reputation could be harmed, any of which could materially and adversely affect our business, operating results and financial condition.

We may be subject to legal liability for publishing or distributing advertisements or other content in our trade publications or websites, or at our trade shows.

We may be subject to legal claims or liabilities relating to the advertising or other content on Global Sources Online or our other websites, or the downloading and distribution of such content, as well as legal claims or liabilities arising out of the products or companies featured in our trade publications and at our trade shows. Claims or liabilities could involve matters such as: libel and defamation; negligent misstatements; false or misleading advertisements; patent, trademark, copyright, design or other intellectual property infringement; fraud; invasion of privacy; direct or indirect, or primary or secondary, liability for illegal, prohibited, restricted, controlled, unlicensed, fake, defective, poor quality, hazardous, contaminated or injurious products or substances advertised on our websites or in our publications or exhibited at our trade shows; or other legal theories, for example, based on aiding and abetting our advertisers or exhibitors in our role as a publisher, website operator or trade show organizer (for example, by allegedly facilitating or providing the means for any unlawful or infringing activities conducted through the medium of our websites or publications or at our trade shows), or based on the nature, creation or distribution of our content (for example, the use of hypertext links to other websites operated by third parties).

Media companies have been sued in the past, sometimes successfully, based on the content published or made available by them. Like many companies in our industry, we have received notices of claims based on content made available in our publications, on our website or at our trade shows. In addition, some of the content provided on Global Sources Online is manually entered from data compiled by other parties, including governmental and commercial sources, and this data may have errors, or we may introduce errors when entering such data. If our content is improperly used or if we supply incorrect information, our users or third parties may take legal action against us. In addition, we may violate usage restrictions placed on text or data that is supplied to us by third parties. Regardless of the merit of such claims or legal actions, they could divert management time and attention away from our business, result in significant costs to investigate and defend, and damage our reputation (which could result in client cancellations or overall decreased demand for our products and services), thereby harming our business, operating results and financial condition. In addition, if we are not successful in defending against such claims or legal actions, we may be liable to pay substantial damages. Our insurance may not cover claims or legal actions of this type, or may not provide sufficient coverage.

We may be subject to legal liability for the supplier verification services that we offer to buyers.

In addition to supplier-provided information, we also offer verification services (by ourselves and/or through third parties whom we engage) to buyers in respect of certain data from certain of our supplier customers. These verification services include: verification of some of a supplier's company and business details; supplier credit profiles and credit reports; and supplier capability assessment. We may be subject to legal claims and actions for any inaccurate, erroneous, incomplete or misleading information provided in connection with such verification services. While we may have liability disclaimers associated with such verification services, such liability disclaimers may nevertheless be insufficient to deter a complainant from attempting to raise a claim or to institute legal action against us, or may be held by a court to be invalid or unenforceable. As for those verification services which are not provided directly by us but by third parties engaged by us, a complainant may nevertheless attempt to hold us responsible for such third parties. Regardless of the merit of any such claims or legal actions, they could divert management time and attention away from our business, result in significant costs to investigate and defend, and damage our reputation (which could result in client cancellations or overall decreased demand for our products and services), thereby harming our business, operating results and financial condition. In addition, if we are not successful in defending against such claims or legal actions, we may be liable to pay substantial damages. Our insurance may not cover claims or legal actions of this type, or may not provide sufficient coverage.

Our intellectual property protection is limited, and others may infringe upon it, which may reduce our ability to compete and may divert our resources.

Our success and ability to compete are dependent in part upon our proprietary technology, content and information databases, the goodwill associated with our trademarks, and other intellectual property rights. We have relied on a combination of copyright, trade secret and trademark laws and non-disclosure and other contractual restrictions to protect ourselves. However, our efforts to protect our intellectual property rights may not be adequate. Although we have filed (and continue to file) applications for and have obtained registration of many of our key trademarks in various jurisdictions, we may not always be able to obtain successful registrations. Our competitors may independently develop similar technology or duplicate our software and services. If others are able to develop or use technology and/or content we have developed, our competitive position may be negatively affected.

We have in the past co-developed, and may in the future co-develop, some of our intellectual property with independent third parties. In these instances, we take all action that we believe is necessary and advisable to protect and to gain ownership of all co-developed intellectual property. However, if such third parties were to introduce similar or competing online products and services that achieve market acceptance, the success of our online services and business, operating results, financial condition and prospects may be harmed.

We cannot determine whether future patent, copyright, service mark or trademark applications, if any, will be granted. No certainty exists as to whether our current intellectual property or any future intellectual property that we may develop will be challenged, invalidated, or circumvented, or will provide us with any competitive advantages.

Litigation may be necessary to enforce our intellectual property rights, protect trade secrets, determine the validity and scope of the proprietary rights of others, or defend against claims of infringement or invalidity. Intellectual property laws provide limited protection. Moreover, the laws of some foreign countries do not offer the same level of protection for intellectual property as the laws of the United States. Such laws may not always be sufficient to prevent others from copying or otherwise obtaining and using our content, technologies or trademarks. In addition, policing our intellectual property rights worldwide is a difficult task, and we may be unable to detect unauthorized use of our intellectual property or to identify infringers. Litigation may result in substantial costs and diversion of resources, regardless of its outcome, which may limit our ability to develop new services and compete for customers.

If third parties claim that we are infringing upon their intellectual property rights, our ability to use technologies and products may be limited, and we may incur substantial costs to resolve these claims.

Litigation regarding intellectual property rights is common in the Internet and software industries. Defending against these claims could be expensive and divert our attention from operating our business. We expect third-party infringement claims involving Internet technologies and software products and services to increase. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay substantial damage awards and be forced to develop non-infringing technology, obtain a license with costly royalties or cease using the products and services that contain the infringing technology or content. We may be unable to develop non-infringing technology or content or to obtain a license on commercially reasonable terms, or at all. All of this could therefore have a material adverse effect on our business, operating results and financial condition.

We may not have, in all cases, conducted formal or comprehensive investigations or evaluations to confirm that our content and trademarks do not or will not infringe upon the intellectual property rights of third parties. As a result, we cannot be certain that we do not or will not infringe upon the intellectual property rights of third parties. If we are found to have infringed a third party's intellectual property rights, the value of our brands and our business reputation could be impaired, and our business and financial condition could suffer.

The commercial real estate properties which we own in mainland China constitute a substantial portion of our assets, and there are legal ownership risks associated with these properties, given the fact that the interpretation of mainland China laws and regulations involves uncertainty.

The mainland China legal system is based on written statutes, and prior court decisions can only be used as a reference. For some time now, the mainland China government has been promulgating laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. However, due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of mainland Chinese laws and regulations involves a degree of uncertainty. Some of these laws may be changed without being immediately published or may be amended with retroactive effect. In addition, any litigation in mainland China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may cause difficulties in the enforcement of our land use rights, entitlements under its permits, and other statutory and contractual rights and interests relating to the commercial real estate properties which we own in mainland China and which constitute a substantial portion of our assets.

The value of our commercial properties in mainland China, Hong Kong and Singapore may fall below the carrying value, requiring us to recognize an impairment charge; or we may not be able to fully rent out any excess unutilized space in our investment properties.

We own commercial properties in Shenzhen's new commercial business district, which are equivalent in standard to "Grade A" private office premises in Hong Kong ("Grade A" private office premises in Hong Kong are defined by the Hong Kong Rating and Valuation Department and generally understood by the Hong Kong property market to mean premises situated in buildings designed for commercial purposes which are modern with high quality finishes; have a flexible layout; have large floor plates; have spacious, well decorated lobbies and circulation areas; have effective central air-conditioning; have good lift services zoned for passengers and goods deliveries; have professional management; and have parking facilities normally available). In addition, we own commercial properties in Hong Kong, Shanghai and Singapore.

The total carrying amount of our Shenzhen, Shanghai and Hong Kong properties was approximately \$134.5 million, and their total market value was approximately \$229.4 million as of December 31, 2013. We also recently completed the acquisition of our Singapore property in February 2014 for a total purchase price of approximately \$13.1 million. However, real estate markets are cyclical and valuation year-on-year is uncertain, given global- and country-specific demand and supply drivers. As a result, we may not be able to recover the carrying value of our properties, which may require us to recognize an impairment charge in future earnings.

If and to the extent we are unable to fully rent out and generate rental income from any excess unutilized space in our investment properties, our operating results may be adversely affected thereby.

Apart from the U.S. treasury bills which we hold, a significant portion of our cash and cash equivalents are held as cash deposits with various banks. In the event of an insolvency of such banks, we may not be able to recover our cash from them in full or in part, or there may be prolonged delays in such recovery.

A significant portion of our cash and cash equivalents are held as cash deposits with various commercial banks. A majority of such balances are held in banks located outside mainland China. Although we have not recognized any losses to date on our cash and cash equivalents, in the event of an insolvency of such banks, we may not be able to recover our cash from them in full or in part, or there may be prolonged delays in such recovery. This could materially adversely affect the value or liquidity of our cash and cash equivalents and result in an impairment, which could materially adversely affect our financial condition and operating results.

The failure of outside parties to meet committed service levels and information accuracy expectations may make our services less attractive to customers and harm our business and financial condition.

We rely on outside parties for some information, licenses, product delivery, telecommunications and technology products and services. We rely on relationships and/or contractual agreements with software developers and providers, systems integrators and other technology or telecommunications firms to support, enhance and develop our products and services.

Although we have contracts with technology providers to enhance, expand, manage and maintain our computer and communications equipment and software, these service providers may not provide acceptable services. Services provided by third parties include providing application licenses, hosting our Global Sources Online servers and database, maintaining our communications and managing the network and data centers which we rely on for the provision of our services. These relationships may not continue or may not be available on the same commercial terms in the future, which could cause customer dissatisfaction and/or a delay in the launch of new software or services.

We license some components of our technology from third parties. These licenses may not be available to us on the same commercial terms in the future. The loss of these licenses could delay the release or enhancement of our services until equivalent technology could be licensed, developed, or otherwise obtained. Any such delay could have a material adverse effect on our business and financial condition. These factors may deter customers from using our services, damage our business reputation, cause us to lose current customers, and harm our ability to attract new customers, thereby adversely affecting our financial condition.

We have no direct control over the accuracy, timeliness, or effectiveness of the information, products and services or performances of these outside parties. As a result of outside party actions, we may fail to provide accurate, complete and current information about customers and their products in a timely manner and to deliver information to buyers and/or other registered users in a satisfactory manner.

Our inability to maintain or acquire effective Internet domain names could adversely impact our online business.

If we are not able to prevent third parties from acquiring Internet domain names that are similar to the various Internet domain names that we own, third parties could create confusion that diverts traffic to other websites away from our online services, thereby adversely affecting our business and financial condition. Furthermore, if we are unable to acquire the preferred or appropriate Internet domain names that we may wish to use for any new or additional websites that we may wish to launch from time to time (for example, if such Internet domain names are already registered by third parties), the timing, scale or effectiveness of our launch efforts could be adversely impacted.

The acquisition and maintenance of Internet domain names generally are regulated by governmental agencies. The regulation of Internet domain names in the United States and in foreign countries is subject to change. As a result, we may not be able to acquire or maintain relevant Internet domain names. Furthermore, the relationship between regulations governing such addresses and laws protecting proprietary rights is unclear.

Should our directors or officers incur personal liabilities in connection with the performance of their duties, such liabilities could be substantial. Our insurance coverage for such directors' or officers' liabilities may be inadequate, and we may have to indemnify them (if, and to the extent, applicable and permissible) out of our own funds.

Our insurance coverage for the potential personal liabilities of our directors and officers is limited and may not be sufficient to cover the scope or extent of such liabilities. In such event, our directors and officers may have to rely in whole or in part on indemnities from out of our funds (see "Personal Liability of Directors and Indemnity" under Item 10 for a description of the personal liabilities of our directors and the indemnities by us which may be available to our directors and officers). If and to the extent such indemnities are applicable and permissible, they could be substantial.

We may be required to record an impairment charge on our accounts receivables, if we are unable to collect the outstanding balances from our customers.

We generally collect our fees in advance from customers in markets with higher risk. We have a large number of customers and no individual customer represents more than 10% of our accounts receivables. We estimate the collectability of our accounts receivables based on our analysis of the accounts receivables, historical bad debts, customer creditworthiness and current economic trends. We continuously monitor collections from our customers and maintain adequate impairment allowance for doubtful accounts. However, while credit losses have historically been within our expectations and the allowances we established, if the bad debts significantly exceed our impairment allowance, our operating results and liquidity could be adversely affected.

Investment Risks

Our quarterly operating results may have seasonal fluctuations and as a result, we may fail to meet analyst, investor and shareholder expectations.

We typically experience seasonal quarter-to-quarter fluctuations in our revenue. Currently, most of our largest trade shows are expected to be held in the second quarter and fourth quarter of each year. The net result of the above seasonality is that second and fourth quarter revenues are likely to be substantially higher than the first and third quarter revenues. In 2013, approximately 31% of our revenue was generated during the second quarter and approximately 30% during the fourth quarter. The first quarter accounted for approximately 16% of our revenue in 2013 and the third quarter accounted for approximately 23% of our revenue in 2013. In addition, certain expenses associated with future revenues are likely to be incurred in the preceding quarters, which may cause profitability to be lower in those preceding quarters. Also, because event revenue is recognized when a particular event is held, we may also experience fluctuations in quarterly revenue based on the movement of annual trade show dates from one quarter to another. As a result of seasonal fluctuations in our quarterly operating results, we may fail to meet analyst, investor and shareholder expectations.

Our share prices may fluctuate in response to a number of events and factors.

Our share price may fluctuate in response to a number of events and factors such as quarterly variations in operating results; announcements of new services or pricing options by us or our competitors; changes in financial estimates and recommendations by securities analysts; failure to meet our financial guidance and/or the financial forecasts of analysts; the operating and share price performance of other companies that investors may deem comparable; news reports relating to trends in the Internet and information technology industry; reports, articles, commentaries, blogs or online postings about us by analysts, short sellers, our competitors, our customers, our users and/or others; announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments; or changes in laws or regulations in the countries in which we operate.

There is a limited public market for our shares and the trading volume for our shares is low, which may limit your ability to sell your shares or purchase more shares.

As of February 28, 2014, we had approximately 919 registered shareholders, and a total of 34,722,691 outstanding common shares, out of which approximately 15,348,438 outstanding common shares were tradable on the NASDAQ Global Select Market ("NASDAQ").

Because of the small number of shareholders and the small number of publicly tradable shares, we cannot be sure that an active trading market will develop or be sustained or that you will be able to sell or buy common shares when you want to. As a result, it may be difficult to make purchases or sales of our common shares in the market at any particular time or in any significant quantity. If our shareholders sell our common shares in the public market, the market price of our common shares may fall. In addition, such sales may create the perception by the public of difficulties or problems with our products and services or management. As a result, these sales may make it more difficult for us to sell equity or equity-related securities in the future at a time or price that is appropriate.

Sales of our common shares by our major shareholders could depress the price of the common shares.

Sales of common shares by our major shareholders could adversely affect the prevailing market price of the common shares. As of February 28, 2014, we had 34,722,691 common shares outstanding, out of which at least 16,882,564 common shares outstanding are beneficially owned by people who may be deemed “affiliates”, as defined by Rule 405 of the Act. Of these 16,882,564 shares, 14,825,126 shares are “restricted securities” which can be resold in the public market only if registered with the Securities and Exchange Commission or pursuant to an exemption from registration.

We cannot predict what effect, if any, that the sales of such restricted shares or the availability of shares for sale, will have on the market price of the common shares from time to time. Sales of substantial amounts of common shares in the public market, or the perception that such sales could occur, could adversely affect prevailing market prices for the common shares and could impair our ability to raise additional capital through an offering of our equity securities.

Merle A. Hinrich, our Executive Chairman, is also our major shareholder and he may take actions that conflict with your interest.

As of February 28, 2014, Mr. Merle Allan Hinrich beneficially owned approximately 42.55% of our total outstanding common shares, and may be deemed to be the beneficial owner of up to 46.93% of our total outstanding common shares (as described in Item 7 below). Mr. Hinrich is also our Executive Chairman. Accordingly, Mr. Hinrich has substantial voting influence over the election of our directors, the appointment of new management and the opposition of actions requiring shareholder approval, such as adopting amendments to our articles of incorporation and approving mergers or sales of all or substantially all of our assets. Such concentration of ownership and substantial voting influence may have the effect of delaying or preventing a change of control, even if a change of control is in the best interest of all shareholders. There may be instances in which the interest of our major shareholder may conflict or be perceived as being in conflict with the interest of a holder of our securities or the interest of the company.

Because we are governed by Bermuda law rather than the laws of the United States and our assets are outside of the United States, our shareholders may have more difficulty protecting their rights because of differences in the laws of the jurisdictions.

We are incorporated under the laws of Bermuda. In addition, certain of our directors and officers reside outside the United States and a substantial portion of our assets is located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon such persons or to realize against them judgments of courts of the United States predicated upon civil liabilities under the United States federal securities laws. We have been advised by our legal counsel in Bermuda, Appleby, that there is some uncertainty as to the enforcement in Bermuda, in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated upon U.S. federal securities laws, although final and conclusive judgments of the United States under which a sum of money is payable (not being a sum of money payable in respect of taxes or other charges of a like nature, in respect of a fine or other penalty, or in respect of multiple damages as defined in The Protection of Trading Interests Act 1981 of Bermuda) would be enforced by the Supreme Court of Bermuda as a debt against our company, subject to certain conditions and exceptions.

We are a “foreign private issuer,” and have disclosure obligations that are different than those of other U.S. domestic reporting companies, so you should not expect to receive information about us in the same amount and/or at the same time as information received from, or provided by, U.S. domestic reporting companies.

We are a foreign private issuer and, as a result, we are not subject to some of the requirements imposed upon U.S. domestic issuers by the SEC. For example, we are not required to issue quarterly reports or file proxy statements to the SEC, and we and our directors and executive officers are not subject to certain disclosure obligations that would otherwise be required from U.S. domestic issuers.

Hence, our shareholders, potential shareholders and the investing public in general, should not expect to receive information about us in the same amount and/or at the same time as information received from, or provided by, U.S. domestic reporting companies.

U.S. persons that hold our common shares could be subject to material adverse U.S. federal income tax consequences if we were considered to be a PFIC for any taxable year.

A non-U.S. corporation generally will be a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes in any taxable year in which, after applying the relevant look-through rules with respect to the income and assets of its subsidiaries, either (i) 75% or more of its gross income is “passive income” (generally including (without limitation) dividends, interest, annuities and certain royalties and rents not derived in the active conduct of a business) or (ii) the average value of its assets that produce passive income or are held for the production of passive income is at least 50% of the total value of its assets.

Although the application of the PFIC rules is unclear, there is a risk that we could be treated as having become a PFIC in a prior year, and there can be no assurance that we will not be considered a PFIC for the current year or any subsequent year. A U.S. person that holds our common shares should consult its own tax advisor regarding possible adverse tax consequences to such person if we are considered to be a PFIC.

It may be difficult for a third party to acquire us, and this may depress our share price.

Our bye-laws contain provisions that may have the effect of delaying, deferring or preventing a change in control or the displacement of our management. These provisions may discourage proxy contests and make it more difficult for the shareholders to elect directors and take other corporate actions. These provisions may also limit the price that investors might be willing to pay in the future for our common shares. These provisions include:

- providing for a staggered Board of Directors, so that it would take three successive annual general meetings to replace all directors;
- requiring the approval of 100% of shareholders for shareholder action by written consent;
- establishing advance notice requirements for submitting nominations for election to the Board of Directors and for proposing matters that may be acted upon by shareholders at a general meeting; and
- restricting business combinations with any interested shareholder that have not been approved by at least two-thirds of the holders of our voting shares (other than shares held by that interested shareholder or any affiliate or associate of such interested shareholder), voting together as a single class, or by a simple majority if the business combination is approved by a majority of the continuing directors or if certain prescribed conditions are met assuming that we will receive fair market value in exchange for such business combination. In this context, a “business combination” includes, among others, (i) any mergers, (ii) any asset sales and other material transactions resulting in a benefit to the interested shareholder or any of its affiliates or associates or (iii) the adoption of a plan for our liquidation or dissolution; an “affiliate” or an “associate” have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); a “continuing director” is a member of our Board of Directors that is not an affiliate or associate or representative of an interested shareholder and was a member of our board prior to such person becoming an interested shareholder; and an “interested shareholder” is any person (other than us or any of our subsidiaries, or any employee benefit or other similar plan, or any of our shareholders who owned shares prior to the listing of our shares on Nasdaq) that owns or has announced its intention to own, or with respect to any of our affiliates or associates, within the prior two years did own, at least 15% of our voting shares.

While we believe that we currently have adequate internal control procedures in place, we are still exposed to potential risks from legislation requiring companies to evaluate controls under Section 404 of the Sarbanes-Oxley Act of 2002.

Under the supervision and with the participation of our management, we have evaluated our internal controls systems in order to allow management to report on, and our registered independent public accounting firm to attest to, our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. We have performed the system and process evaluation and testing required in an effort to comply with the management certification and auditor attestation requirements of Section 404. As a result, we have incurred additional expenses and a diversion of management's time. If we are not able to continue to meet the requirements of Section 404 in a timely manner or with adequate compliance, we might be subject to sanctions or investigation by regulatory authorities such as the SEC or by NASDAQ. Any such action could adversely affect our financial results and the market price of our shares.

ITEM 4. INFORMATION ON THE COMPANY

History and Development of the Company

We are a leading facilitator of global merchandise trade. Our business began in 1971 in Hong Kong when we launched *Asian Sources*, a trade magazine to serve global buyers importing products in volume from Asia. Today, we are one of Asia's leading providers of trade information using online media, print media and face-to-face events, meeting the marketing and sourcing needs of our supplier and buyer communities.

The core business uses English-language media to facilitate trade from Greater China (which includes mainland China, Hong Kong and Taiwan) to the world. The other business segment utilizes Chinese-language media to enable companies to sell to, and within, Greater China.

Realizing the importance of the Internet, we became one of the first providers of business-to-business online marketplace services by launching *Asian Sources Online* in 1995. In 1999, we changed the name of *Asian Sources Online* to *Global Sources Online*.

We originally were incorporated under the laws of Hong Kong in 1970. In April 2000, we completed a share exchange with a publicly traded company based in Bermuda, and our shareholders became the majority shareholders of the Bermuda corporation. As a result of the share exchange, we became incorporated under the laws of Bermuda and changed our name to Global Sources Ltd. Our capital expenditures during the years ended December 31, 2013, 2012 and 2011 amounted to \$27.0 million, \$1.4 million and \$56.7 million, respectively. For 2013, such expenditures were incurred mainly for purchase of office premises in Hong Kong, computers, software, office equipment and leasehold improvements. For 2012, such expenditures were incurred mainly for purchase of computers, software, office equipment and leasehold improvements. For 2011, such expenditures were incurred mainly for purchase of office premises in mainland China, leasehold improvements, office furniture, computers and software. Our capital expenditures were financed using cash generated from our operations. The net book value of capital assets disposed and written off during the years ended December 31, 2013, 2012 and 2011 amounted to \$12.6 million, \$0.048 million and \$0.029 million respectively. In January 2014, we entered into an agreement for the purchase of office space in Singapore which was completed in February 2014. This transaction has been discussed in detail under "Properties" of this Item 4.

Our primary operating offices are located in Shenzhen, China; Shanghai, China; Hong Kong, China; and Singapore. Our registered office is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda, and our telephone number at that address is (441) 295-2244. Our website address is <http://www.globalsources.com>. Information contained on our website or available through our website is not incorporated by reference into this document and should not be considered a part of this document.

Business Overview

We are a leading business-to-business ("B2B") media company that provides information and integrated marketing services, with a particular focus on the Greater China market. Our mission is to facilitate global trade between buyers and suppliers by providing export marketing services and sourcing information. Although our range of media has grown, for 43 years we have been in the same primary business of helping buyers worldwide find products and suppliers in Asia.

Buyers rely on our media to find products and suppliers, and to stay current with supply market conditions. Suppliers use our media to find new buyers and markets for their products. We believe we offer the most extensive range of media and export marketing services in the industries we serve. Suppliers using our three primary channels – online marketplaces, magazines and trade shows – are supported by our advertising creative services and online content management applications.

We have a significant presence across a number of industry sectors including electronics, fashion accessories, hardware and gifts. We are particularly strong in facilitating China's two-way trade of electronics, one of China's largest import and export sectors.

As of December 31, 2013, more than 319,000 suppliers were listed on *GlobalSources.com* and we serve a buyer community of over 1,000,000 active members in more than 200 countries and territories.

We are diversified in terms of products and services offered, industries served, and our customer base. We have powerful and valuable assets including: the Global Sources brand; the China Sourcing Fairs brand; leading products and market positions; a strong and growing group of businesses in the China domestic market; and an extensive presence in Greater China. We believe that all of these provide a strong platform for success and that we are well-positioned in the industry segments within which we operate.

The following table sets forth our revenue by category for the last three fiscal years:

	Year Ended December 31,		
	2013	2012	2011
	(In U.S. Dollars Thousands)		
Revenues			
Online and other media services	\$ 104,629	\$ 136,101	\$ 141,475
Exhibitions	85,636	88,782	77,973
Miscellaneous	7,257	6,857	5,617
	\$ 197,522	\$ 231,740	\$ 225,065

The following table sets forth our revenue by geographical area for the last three fiscal years:

	Year Ended December 31,		
	2013	2012	2011
	(In U.S. Dollars Thousands)		
Revenues			
China	\$ 163,107	\$ 189,648	\$ 177,563
Rest of Asia	29,891	35,603	40,011
United States	4,031	5,706	6,455
Europe	365	531	695
Others	128	252	341
	\$ 197,522	\$ 231,740	\$ 225,065

We currently generate the majority of our revenue from suppliers in Asia, with China being our largest market at approximately 83% of total revenue during 2013. Our revenue is derived from two primary sources – Online and other media services, which represented approximately 53% of total revenue in 2013 and Exhibitions, which represented approximately 43% of total revenue in 2013.

Online and other media services. This consists of the following two primary revenue streams:

- **Online Services** – Our primary service is creating and hosting marketing websites that present suppliers’ product and company information in a consistent and easily searchable manner on *GlobalSources.com*. We also offer banner ads and publish digital magazines .
- **Other Media Services** – We publish printed trade magazines, which consist primarily of advertisements from suppliers and our independent editorial reports and product surveys.
We also derive a small amount of revenue from buyers that subscribe to our trade magazines and from marketing services provided to suppliers.

Exhibitions - Trade Shows and Seminars – Our primary revenue stream is selling booths to suppliers. Our exhibitions offer international and domestic buyers direct access to manufacturers based in China and other Asian countries.

Industry Background

Global Trade and the Role of Greater China

Over the past few decades, as communications and logistics technologies have improved and as more free trade agreements have been signed, international trade has grown at a pace far exceeding the growth of overall global production. Asia, including Greater China in particular, has been a significant contributor to the growth of global trade.

China has become a major manufacturer and exporter of a wide range of products, due to its significant labor cost advantages, large population, improving quality controls and increasing amounts of foreign investment. Being admitted to the World Trade Organization in 2001 was a very important turning point for China. Membership led to a dramatic shift in global trade, with more orders flowing to China and away from traditional supply markets.

With a population that is more than 15 times as large as Hong Kong, Taiwan and South Korea combined, and with comparably more manufacturing facilities, the potential scale of China as an exporter is very substantial. China’s exporters include state-owned enterprises, joint ventures and a rapidly growing number of entrepreneurial companies.

With thousands of manufacturers spread across vast regions, and given the large distances between them and their customers, it is difficult for buyers and suppliers to identify and communicate with one another. Accordingly, buyers’ search and evaluation costs, and suppliers’ advertising and marketing expenses can be substantial.

The Role of Media in Global Trade

In global trade, media plays a key role in helping suppliers and buyers find, connect and transact with each other. To facilitate this, media companies provide three major offerings: online marketplaces, magazines and trade shows.

For media companies doing business in Asia, the fragmentation presents significant challenges. They need to find, qualify and visit tens of thousands of suppliers and then assist them to promote their products to the global marketplace. Building a sales force to contact these suppliers is a significant undertaking and typically requires substantial financial and manpower commitments and resources. In particular, there is a huge challenge to effectively and efficiently hire, train and manage a network of sales representatives across such an immense area, where multiple jurisdictions have varying legal requirements, languages, currencies and customs.

Buyers rely on media to stay current with all available purchasing opportunities. They use the media to identify and pursue new suppliers with which they can compare both pricing and product quality with their existing suppliers. They also seek to purchase new product lines appropriate to their distribution channels. Buyers choose media based on the quality and quantity of information relevant to their interests, and on the range and flexibility of the formats and delivery methods.

Most suppliers frequently introduce new products and actively seek new buyers and markets through the use of media. Their objective is to make sure their products are seen by as many potential buyers as possible, and sold to buyers that will provide them the best price and the right order size. Suppliers select media based on the number and quality of buyers reached, and on the reputation of the medium and its cost. Also, particularly in Greater China, creative services for advertising design and English language copywriting play a significant role in media selection. Suppliers measure the return on their promotional investments by the quantity and quality of sales leads, or Requests For Information (“RFIs”), that they receive, by the branding or competitive differentiation achieved, and where possible, by the actual orders generated.

Operators of online marketplaces generate most of their business from selling marketing services to suppliers, such as publishing and hosting a supplier’s website and product catalog, and from advertising. Compared to other media, online marketplaces have the advantages of content depth and timeliness and provide a venue where suppliers can make detailed product and company information accessible to buyers.

Trade show organizers generate most of their business from selling booth space to suppliers. Trade shows play a unique role in the sales process since they allow sellers to make face-to-face presentations to buyers and to negotiate and take orders at the booths. In international trade, face-to-face interaction is viewed as vital by many buyers and is something that cannot be accomplished by online or print media.

Trade magazines offer buyers the convenience of portability while offering suppliers a proven medium that delivers a targeted audience. Magazine advertising enables suppliers to do high-impact, display advertising that can strongly position their company and their products. Such advertising can also stimulate a buyer to make an inquiry, visit the supplier’s website and/or visit the supplier’s booth at a trade show.

Many suppliers want to reach their customers and prospects in multiple ways: online, in print and face-to-face at trade shows. Suppliers use this full range of media to make sure they reach their entire target market, because of the benefits of different and more frequent exposures to buyers, and because each of the media plays a different role in the sales cycle.

Our Offerings

Our primary business relates to connecting buyers worldwide with suppliers in Asia (with a particular focus on Greater China) and other emerging markets. However, we also offer a range of media that facilitates selling to, and within China.

We provide a broad set of B2B media products and services to stimulate and streamline the marketing and sourcing processes of global trade. In particular, we believe that we offer the broadest and most integrated multi-channel offering to suppliers and buyers engaged in international trade with Greater China.

Buyers request information and purchase goods from suppliers who market themselves through our online services, trade magazines and trade shows. We provide information to help buyers evaluate numerous sourcing options so they can place orders with suppliers that have the most suitable capabilities and/or who offer them the best terms. We help suppliers market their products and their capabilities to our community of buyers worldwide. By receiving inquiries from a wide selection of buyers, suppliers have more opportunities to achieve the best possible terms, and to learn about the demand and specific requirements in different markets.

With the combination of our online, print and trade show offerings, supported by our creative and production services, we offer suppliers a virtual one-stop shop for most of their export marketing communications needs. Moreover, we believe that we are uniquely capable of helping suppliers create and deliver integrated marketing programs that impact all stages of the buying process – from awareness and lead generation – right through to purchase orders.

Media for Buyers Worldwide

Online Services

Through *GlobalSources.com*, our online marketplace and primary source of online revenue, buyers are able to identify, shortlist and make inquiries to suppliers. Our primary source of revenue is from suppliers who pay for marketing websites. Each marketing website is comprised of a home page, a company profile and a virtual showroom containing product profile pages of the supplier’s products. Each product profile page contains detailed product information, specifications and full color images.

Buyers can reach a large potential supply base on *GlobalSources.com* by searching among, and/or making inquiries to more than 319,000 suppliers.

Trade Shows

Our largest shows are our China Sourcing Fairs which are held in Hong Kong each spring and fall. These shows bring buyers from around the world to meet face-to-face with suppliers. In recent years, we have added smaller versions of these shows in locations including Miami, Johannesburg, and Sao Paulo.

Trade Publications

We publish 19 industry-specific Global Sources trade magazines. Our trade magazines come in print and digital formats and contain paid advertisements from suppliers, as well as our independent editorial content, which includes market reports, advice for buyers, and surveys.

Advertising Creative Services

We offer our customers advertising and marketing creative services, which assist them in communicating their unique selling propositions and in executing integrated marketing campaigns across our online services, trade magazines and trade shows. Customer service officers and copywriters assist suppliers with creative services including digital photography of products, translation, copywriting, ad layout and quality control. Basic media and creative services are included in our media charges.

Sourcing Reports

We currently have more than 50 different Sourcing Reports for sale. Each Sourcing Report provides detailed, product-specific information on suppliers and supply market conditions in emerging markets in Asia that is gathered through face-to-face, phone and email interviews with senior management at factories. Revenue is derived from sales to buyers.

Media for Electronics Engineers and Executives in Asia, and Media for Buyers and Executives in China

In addition to our primary media, which connect export suppliers in Asia with buyers worldwide, we are a leading provider of information to electronics engineers and executives within Asia. For this segment of our business, we have 12 online and 6 print media, trade shows for the semiconductor, optoelectronics, fashion and machinery sectors plus several other conferences and events.

Mission and Business Strategy

Mission

Global Sources' mission is to connect global buyers and suppliers by providing the right information, at the right time, in the right format.

Our key business objective is to be the preferred provider of content, services, and integrated marketing solutions that enable our customers to achieve a competitive advantage.

Business Strategy

Our primary target market is comprised of professional small, medium and large-sized buyers and suppliers. Moreover, our focus is on verified suppliers and verified buyers. Our business strategy is to serve our markets with online, print and trade show media that address our customers' needs at all stages of the buying process.

The Global Sources strategy is built around the following four key foundations: to strengthen our position in the core, export-focused business; new product and market development; expansion in China's domestic B2B market; and acquisitions, joint ventures, and alliances.

- *Strengthen position in core, export focused business* . Our objective is to leverage the combined strengths of *GlobalSources.com* and the China Sourcing Fairs.
- *New product and market development*. Our plans include the launch of new verticals and entries into new geographies.
- *Expansion in China's domestic B2B market* . We have more than a dozen individual media properties serving this market and plans include further development of these businesses and expansion into new verticals.
- *Acquisitions, joint ventures and/or alliances* . We are focused on complementary businesses, technologies and products that will help us maintain or achieve market leading positions in particular niche markets.

Products & Services

Media for Buyers Worldwide

Online Services

GlobalSources.com , our primary online service, is comprised of the following industry sector marketplaces:

Auto Parts & Accessories
Baby & Children's Products
Computer Products
Electronic Components
Electronics
Fashion Accessories
Garments & Textiles
Gifts & Premiums

Hardware & DIY
Home Products
Machinery & Industrial Supplies
Mobile & Wireless
Security Products
Sports & Leisure
Telecom Products

Trade Publications

We currently publish the following industry-specific trade magazines in various frequencies ranging from monthly to once a year:

Global Sources Auto Parts & Accessories
Global Sources Baby & Children's Products
Global Sources Computer Products
Global Sources Electronic Components
Global Sources Electronics
Global Sources Fashion Accessories
Global Sources Garments & Textiles
Global Sources Gifts & Premiums
Global Sources Hardware & DIY
Global Sources Home Products

Global Sources India Products
Global Sources Korea Products
Global Sources Machinery & Industrial Supplies
Global Sources Medical & Health Products
Global Sources Mobile & Wireless
Global Sources Security Products
Global Sources Solar & Energy Saving Products
Global Sources Sports & Leisure
Global Sources Telecom Products

Trade Shows

Trade Shows & Exhibitions currently scheduled for 2014. Note: CSF represents China Sourcing Fair; ISF represents India Sourcing Fair; and KSF represents Korea Sourcing Fair, each indicating the country of origin of most of the exhibitors .

Location	Hong Kong		Miami	Jakarta	Sao Paulo	Johannesburg
Show Dates	Apr 12-15, 27-30	Oct 11-14, 18-21, 19-22 & 27-30	Jun 19-21	Aug 7-9	Aug 11-13	Nov 20-22
CSF: Electronics & Components	●	●				
CSF: Mobile & Wireless	●	●				
CSF: Electronics			●	●	●	●
CSF: Security Products	●	●				
CSF: LED & Solar Products		●				
CSF: Gifts & Premiums	●	●	●		●	●
CSF: Home Products	●	●	●			●
CSF: Fashion Accessories	●	●	●			●
CSF: Underwear & Swimwear	●	●				
CSF: Garments & Textiles	●	●	●	●	●	●
CSF: Hardware & Building Materials				●	●	●
ISF: Garments & Accessories	●	●				
KSF: Gifts & Premiums	●					
KSF: Electronics & Components	●	●				
KSF: Mobile & Wireless		●				
Korea Sourcing Fair				●		
Total (by show period)	11	12	5	4	4	6
Total (by location)		23	5	4	4	6
Total Shows:			42			

Online Services

Website

Description

EE Times – Asia Online Network

- Provides industry news, new product information and technical features covering new technology and its application to engineering managers and design engineers in China, Taiwan, India and countries in the Association of Southeast Asian Nations (“ASEAN”); websites in traditional and simplified Chinese, and English.

EDN – Asia Online Network

- Provides in-depth technical content including technology articles, product news and special reports to design engineers and engineering managers in China, Taiwan, and ASEAN countries; websites in traditional and simplified Chinese and English.

Electronics Supply & Manufacturing – China Online

- Provides managers in China's electronics industry daily news updates, new product rollouts, new manufacturing strategies, supplier reviews and component catalogs.

Webinars

- Various webinars are offered throughout the year to provide corporate, engineering, procurement and manufacturing management with access to new manufacturing strategies, technology and supplier news.

DatasheetsChina.com

- The world's largest Integrated Circuits and electronic components online datasheet database, providing engineers and purchasing managers with normalized data for 250 million parts from over 10,000 suppliers worldwide.

Roboticschina.com

- Informs designers, implementers and users of manufacturing, medical, agricultural, industrial, consumer and educational robotics systems on all aspects of robotics from systems design to sell and systems integration on the manufacturing floor.

Trade Shows

Trade Shows

Description

International IC-China Conference & Exhibition (IIC-China)

- China's largest system design event showcasing new IC technologies and the latest application methodology.
- 2013 event was held on February 28-March 1 in Shenzhen, with conferences on Smartphone & Tablet Design, Power, Connectivity, Test & Measurement, IC Supply Chain, and Smart Home & Surveillance.
- 2012 event was held on February 23-25 in Shenzhen, China's key technology hub, featuring leading semiconductor companies such as Analog Devices, Fairchild, Freescale and Silicon Labs.

Trade Shows

China International Optoelectronic Exposition (“CIOE”)

EDN-Asia seminars

Magazines

Magazine

EE Times - Asia

EDN - Asia

Electronics Supply & Manufacturing - China

Description

- China's largest optoelectronics event established in 1999 and held annually in Shenzhen.
- Covers all optoelectronics segments including laser and infrared applications, precision optics, optical communications and LEDs.
- CIOE 2013 was held at Shenzhen Convention and Exhibition Center, September 4 to 7, 2013, with 3,213 exhibitors and 75,639 visitors.
- A series of one-day seminars held in Singapore, Malaysia, Taiwan and China.
- Topics covered include Embedded Systems Design, Test & Measurement, Industrial Control, Mobile Device Design, Innovation, and Automotive Electronics.

Description

- Editions published monthly in simplified and traditional Chinese; provides engineering managers and design engineers in China and with innovative design ideas and in-depth technology analysis.
- Editions published monthly in simplified and traditional Chinese; provides engineers in China and Taiwan with in-depth technical content including technology articles, product news and special reports.
- Published monthly in simplified Chinese; provides corporate, engineering and procurement management in China with strategic business and technology information.

Media for Buyers and Executives in China

Trade Shows and Exhibitions

Trade Shows / Exhibitions

Global Sourcing Fair: Mobile & Wireless

Description, Scheduled Date and Location

Highly targeted exhibition offering local Chinese buyers, international buyers and their purchasing offices in China a wide selection of mobile and wireless products.

August 27 - 29, 2014 in Shenzhen, China

FashionSZshow (formerly known as China International Fashion Brand Fair - Shenzhen)

China and international fashion brand fair featuring men's and women's clothing and accessories.

Shenzhen International Machinery Manufacturing Industry Exhibition and its related shows (SIMM)

July 10 - 12, 2014 in Shenzhen, China

Includes mold manufacturing technology and products, cutlery and tools, machinery automation, and metal processing.

March 28 - 31, 2014 in Shenzhen, China

Website

Chief Executive China Online

- The default management portal for China executives in simplified Chinese, with management news, expert blogs and user discussion on leadership, strategy, marketing and human resource management.

Magazine

Global Sources Chief Executive China

- A leading journal on management practice for senior executives in China, with a special focus on small and medium enterprises manufacturers. Content includes local cases and expert opinion both globally and from within China on business practices relevant to today's market situation. Published monthly in simplified Chinese.

Customers

We provide services to a broad range of international buyers and suppliers in various industry sectors.

Suppliers

During 2013, 24,048 suppliers paid us for marketing or advertising services compared to 29,606 during 2012. Approximately 88% of these suppliers were located in mainland China. One individual supplier customer represented more than 2% of our revenue during 2013 and no individual supplier customer represented more than 1% of our revenue during 2012.

Buyers

For our primary group of media, which connect export suppliers in Asia with buyers worldwide, we serve a community of more than 1,000,000 active members in more than 200 countries and territories.

We have developed our services primarily for retailers, distributors and manufacturers who import in volume for resale. Although we serve a wide range of small, medium and large-sized buyers, we put extra emphasis on serving senior executives with large import buying power. Also, we believe that a significant portion of our buyer community are owners, partners, presidents, vice presidents, general managers or directors of their respective companies.

Sales and Marketing

Our team member sales organization consists of approximately 1,961 independent representatives in more than approximately 60 cities worldwide, with more than 40 of these locations in Greater China. We have a staff of 143 full-time employees that oversee and monitor the independent sales representative organizations that employ these representatives.

These organizations operate pursuant to service agreements with us that generally are terminable by either party on short notice. These representatives focus on developing and maintaining relationships with suppliers that are current customers and they seek to increase the number of new suppliers using our services. Substantially all of our contracts with suppliers are entered into directly between the supplier and us. Revenue for trade shows is seasonal as it is recognized in the month in which each show is held. Currently, most of our largest trade shows are expected to be held in the second quarter and fourth quarter of each year. The net result of the above seasonality is that second and fourth quarter revenues are likely to be substantially higher than the first and third quarter revenues. The largest representative sales offices are located in Beijing, Guangzhou, Shanghai, Xi'an, Shenzhen, Hong Kong and Taipei. Our eight sales representative organizations in China accounted for approximately 74% of our total revenue in 2013.

Our marketing strategy leverages our database of more than 319,000 suppliers currently listed on *GlobalSources.com*. Sophisticated analyses of buyer and supplier profile data enable us to target our sales and marketing programs to new geographic areas and to specific product categories within industry sectors.

Our sales representative organizations are generally structured to offer an integrated marketing solution of our media to customers. Our community development group is responsible for marketing our services to the global buyer community through online advertisements and promotions, search engine marketing, trade shows and direct mail campaigns.

Content Development

Our content development group is responsible for compiling, editing, integrating and processing the content that appears in our online services and print media. Within content development, the advertisement operations and editorial groups compile materials from suppliers and freelance writers, respectively, and transform these materials into the advertising and editorial content. Research teams analyze customer content usage to direct content development and they work with sales representatives and marketing staff to develop appropriate content for new industry sectors. Our site team is responsible for evaluating and integrating content into our online services, as well as maintaining the overall integrity of such services. In addition, members of the content development group manage the pre-press production work and print production processes associated with the creation of our printed and digital trade magazines. They also maintain the back-end supplier database, which is the foundation for our online supplier and product information.

Strategic Relationships

eMedia Asia Limited ("eMedia") is a subsidiary of which we own 60.1% and control, and CMP Media (now known as TechInsights), through UBM Asia B.V., a member of the United Business Media group, owns 39.9%. We entered into the joint venture in September 2000, to provide new technology content, media and online services for the Asian electronics market, focusing on new opportunities in the Greater China market.

In December 2009, eMedia acquired from the United Business Media group, for a net cash consideration of approximately US\$5 million, the entire issued share capital of eMedia South China Limited (previously known as “UBM South China Limited”), a company incorporated in the Hong Kong Special Administrative Region, which holds a 70% equity interest in Shenzhen Herong GS Exhibition Co., Ltd. (previously known as “Shenzhen Herong UBM Exhibition Co., Ltd.”), a company incorporated in mainland China. Shenzhen Herong GS Exhibition Co., Ltd. organizes and operates the CIOE in mainland China. With this acquisition, eMedia’s portfolio of media products for the Chinese electronic engineering community further complements our own multi-channel media network for professionals in China’s electronic industry.

In April 2011, eMedia acquired EDN Asia Advertising Pte. Ltd. (previously known as “Canon Communications Asia Pte. Ltd.”) and Beijing EDN Advertising Production Co., Ltd. (previously known as “Beijing Reed Advertising Services Co., Ltd.”) – which published EDN-Asia and EDN-China, respectively – from Canon Communications LLC, a subsidiary of United Business Media Limited (LSE: UBM.L), for a cash consideration of approximately US\$4 million. Subsequently, these titles were transferred to eMedia and are now published directly by eMedia, with effect from January 1, 2013.

Haoji Group Limited (“Haoji”) is a company incorporated in the British Virgin Islands, which holds the entire issued share capital of Space Exhibition Consultants Limited, a company incorporated in the Hong Kong Special Administrative Region, which in turn holds all of the equity interests in Huanyu Shishang Exhibition (Shenzhen) Co., Ltd. (“Huanyu”). Huanyu operates the China (Shenzhen) International Brand Clothing & Accessories Fair (now known as Fashion SZ show) in mainland China, and owns the businesses and assets associated therewith. In March 2012, we acquired 80% of the entire issued share capital of Haoji, from an individual who was the sole shareholder of Haoji, for a total cash consideration of approximately US\$17.0 million, comprising an initial cash amount of approximately US\$12.7 million that was paid by us on completion of the transaction, and another additional cash amount of approximately US\$4.3 million was paid in February 2013.

The Shenzhen International Machinery Manufacturing Industry Exhibition and its related shows (the “SIMM Events”) currently consist of two groups of co-located trade shows: (a) the Shenzhen International Machining Automation Exhibition and the Shenzhen International Metal Forming Machine Tool & Mould Exhibition (collectively, the “Group A SIMM Events”); and (b) the Shenzhen International Metal Cutting Machine Tool Exhibition (the “Group B SIMM Events”). We entered into an agreement in April 2013 (and a subsequent supplementary agreement in September 2013) to acquire a 70% interest in the Group A SIMM Events and a 56% effective interest in the Group B SIMM Events, for a total consideration of approximately \$16.6 million. We paid an initial deposit of \$2.1 million in the third quarter of 2013. The balance cash consideration of \$14.5 million is payable in several installments over the years 2014 to 2017 upon certain conditions being fulfilled. In addition, there is a potential obligation to pay not more than approximately \$1.2 million for transaction cost.

Technology and Systems

We use a combination of commercial software and internally developed systems to operate our websites and services.

We have invested a total of \$25.9 million for years 2013 and 2012 combined in information and technology costs.

As of December 31, 2013, we had 169 team members engaged in technology development, maintenance, software customization and data center operations.

As of December 31, 2013, our online marketplace services are run on the Oracle DBMS release 11g. The catalog application that supports *Global Sources Online*’s core functions uses a Java platform.

Our servers are hosted by AT&T iDC in Hong Kong. We maintain system back-ups and have a Singapore facility that can be used for disaster recovery purposes.

For the year ended December 31, 2013 our external network had 99.99% uptime availability.

Where appropriate, our systems use secure socket layer (SSL) to encrypt sensitive communications between browsers and Web servers.

Competition

For our online marketplaces, trade magazines and trade show services, the market is highly fragmented and potential competition and competitors vary by the range of services provided, geographic focus and the industry sector served. Some competitors only offer trade shows and other competitors only offer online services.

We may compete to some extent with a variety of organizations that have announced their intention to launch, or have already launched, products and services that compete to a certain degree with ours. These businesses include business media companies, trade show organizers, government trade promotion bodies, domestic retail marketplaces, international trade marketplaces, transaction software and services providers, and electronic sourcing application and/or service providers. We may be at a competitive disadvantage to companies that have greater financial resources, that have more advanced technology, that have greater experience or that offer lower cost solutions than ours.

Intellectual Property

Our primary product and supplier content, in addition to our in-house produced editorial content, is held under common law copyright.

We have also developed several proprietary technology applications. We currently do not hold any patents for our proprietary technology applications. In the future, we may apply for patents for these technology applications, where appropriate, but we may not be successful in obtaining such patents, or even if we are issued a patent, it is possible that others may be able to challenge such a patent or that no competitive advantage will be gained from such patent.

Our intellectual property is very important to our business. We rely on a combination of contractual provisions, employee and third-party nondisclosure agreements, and copyright, trademark, service mark and trade secret laws, to establish and protect the proprietary rights of our brands, software, content and services.

We have registrations and/or pending applications for either or both of our “Global Sources” and “China Sourcing Fairs” trademarks in various countries or regions, including Australia, Brazil, the European Union, Hong Kong, India, Indonesia, Israel, Mexico, mainland China, the Philippines, Singapore, South Africa, South Korea, Switzerland, Taiwan, Thailand, Turkey, the United Arab Emirates and the United States.

We have in the past, and may in the future, co-develop some of our intellectual property with independent third parties. In these instances, we take all action that we believe is necessary or advisable to protect and to gain ownership of all co-developed intellectual property. However, if such third parties were to introduce similar or competing online services that achieve market acceptance, the success of our online services and our business, operating results, financial condition and prospects may be harmed.

Government Regulation

Our services are or may be subject to government regulations in various jurisdictions where we or our operations, businesses or activities are located or conducted, where our clients or users are located, or where our services are provided, supplied, transmitted, accessed, used or received. Some of these regulations are described below.

Internet Regulation

There are an increasing number of laws and regulations pertaining to the Internet. In addition, various legislative and regulatory proposals are frequently under consideration by federal, state and local and foreign governments and agencies. Laws or regulations have been or may be adopted with respect to the Internet relating to the liability for information retrieved from or transmitted over the Internet, regulation of online content (or the provision of internet content), the transmission of unsolicited commercial e-mails, user privacy, the use of “cookies”, online behavioral advertising practices, taxation and the quality of products and services. Moreover, it may take years to determine whether and how existing laws, such as those governing issues relating to intellectual property ownership and infringement, privacy, libel, copyright, trademark, trade secret, design rights, taxation, and the regulation of, or any unanticipated application or interpretation of existing laws, may decrease the use of the Internet, which could in turn decrease the demand for our services, increase our cost of doing business or otherwise have a material adverse effect on our business, operating results, financial condition and prospects.

Regulation of Communications Facilities

To some extent, the rapid growth of the Internet has been due to the relative lack of government intervention in the marketplace in respect of, or due to the relative inadequate development or uncertainty of laws and regulations governing, Internet access. For example, several telecommunications carriers are seeking to have telecommunications over the Internet regulated in the same manner as are certain other telecommunications services. Additionally, local telephone carriers have petitioned or may petition the relevant authorities to regulate ISPs in a manner similar to long distance telephone carriers and to impose access fees on such providers. Some ISPs are seeking to have broadband Internet access over cable systems regulated in much the same manner as telephone services, which could slow the deployment of broadband Internet access services. Because of these proceedings or others, new laws or regulations could be enacted, which could burden the companies that provide the infrastructure on which the Internet is based, thereby slowing the rapid expansion of the medium and its availability to new users.

Properties

During 2004, we entered into a contract for the purchase of approximately 9,000 square meters of office space in the Shenzhen International Chamber of Commerce Tower in Shenzhen, China, at a purchase price of approximately \$19.0 million. Full payment of the purchase price was made during 2004, the physical handover of the premises occurred on or around March 30, 2005 and we received the title certificates. In 2008, we purchased approximately 6,364.50 square meters (gross) of additional office space in this same building, at a price of approximately \$34.4 million. The building is situated on leasehold land. The lease period of the land is 50 years, commencing from year 2002. At the end of the lease period, the building together with land will revert to the local government authority.

In 2007, we purchased approximately 1,939.38 square meters of office space in a commercial building known as “Excellence Times Square” in Shenzhen, China, at a purchase price of approximately \$7.0 million. The building is situated on leasehold land. The lease period of the land is 50 years, commencing from year 2002. At the end of the lease period, the building together with land will revert to the local government authority. Subsequently, in May 2013 we completed the sale of this property for a total cash consideration of approximately \$19.6 million.

In 2008, we purchased approximately 22,874 square feet (gross) of office space, together with 6 car parking spaces, in a commercial building known as Southmark in Hong Kong, China, for a total purchase price of approximately \$12.3 million. The lease period of the land is 55 years, commencing from the year 1991. Subsequently, in March 2013, we completed the sale of a portion of this office space, comprising a total area of 9,431 square feet, together with 3 out of the 6 car parking spaces, for a total cash consideration of approximately \$9.0 million.

In August 2011, we purchased approximately 6,668 square meters of office space in a commercial building known as “City Point” in Shanghai, China, for a total purchase price of approximately \$52.0 million, in order to support our continued business expansion in China. The lease period of the land is 50 years, commencing from year 2006.

In March 2013, we completed the purchase of commercial property on the 21st, 22nd and 23rd floors of the Vita Tower in Hong Kong, China, which we previously leased and are currently continuing to occupy for operational use. This comprises a total of 36,822 square feet of office space, for a total purchase consideration of approximately \$23.6 million. The building is situated on land with a lease period of 75 years expiring in 2023, which is renewable for a further 75 years.

In January 2014, we entered into an agreement for the purchase of office space on the 8th floor of No. 1 Sims Lane in Singapore, with a total gross floor area of approximately 22,496.50 square feet, together with 5 appurtenant rooftop accessory lots, for a total purchase consideration of approximately \$13.1 million. This transaction was completed in February 2014. We previously leased this office space and are currently continuing to occupy it for our operational use.

In addition, we generally lease our office space under cancellable and non-cancellable arrangements with terms of two to five years, generally with an option to renew upon expiry of the lease term. We leased in aggregate approximately 109,717 square feet of executive and administrative offices in mainland China, Hong Kong, the Philippines, Singapore, India and Taiwan during the year ended December 31, 2013. Our aggregate base rental and building management fee expenses for the year ended December 31, 2013 were approximately \$1.8 million.

We lease part of our properties to third parties to generate rental income. During the year ended December 31, 2013, we recorded such rental income of \$6.1 million.

Legal Proceedings

We are a party to litigation from time to time in the ordinary course of our business. We do not expect the outcome of any pending litigation to have a material adverse effect on our business.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and results of operations should be read in conjunction with the “Selected Financial Data” and the accompanying financial statements and the notes to those statements appearing elsewhere in this Annual Report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed below and elsewhere in this Annual Report, particularly under the caption “Risk Factors.”

Overview

We are a leading B2B media company and a primary facilitator of two-way trade with Greater China. Our core business is facilitating trade from Greater China to the world, using a wide range of English-language media. Our other key business segment facilitates trade from the world to Greater China using Chinese-language media. We provide sourcing information to volume buyers and integrated marketing services to suppliers. Our mission is to facilitate global trade between buyers and suppliers by providing the right information, at the right time, in the right format. Although our range of media has grown, for more than 40 years we have been in the same basic business of helping buyers worldwide find products and suppliers in Asia.

We believe we offer the most extensive range of media and export marketing services in the industries we serve through our three primary channels – online marketplaces, magazines and trade shows.

We were originally incorporated under the laws of Hong Kong in 1970. In 1971, we launched *Asian Sources*, a trade magazine to serve global buyers importing products in volume from Asia. Realizing the importance of the Internet, we became one of the first providers of business to business online services by launching *Asian Sources Online* in 1995. In 1999, we changed the name of *Asian Sources Online* to *Global Sources Online*.

In April 2000, we completed a share exchange with a publicly traded company based in Bermuda, and our shareholders became the majority shareholders of the Bermuda corporation. As a result of the share exchange, we became incorporated under the laws of Bermuda and changed our name to Global Sources Ltd.

Revenue

We derive revenue from two principal sources, Online and other media services and Exhibitions-trade shows and seminars.

Online and other media services consists of the following two primary revenue streams:

Online Service s — Our primary service is creating and hosting marketing websites that present suppliers’ product and company information in a consistent and easily searchable manner on Global Sources Online. We also derive revenue from banner advertising fees and the digital magazines we launched in July 2010.

Other Media Service s — We publish trade magazines, which consist primarily of product advertisements from suppliers and our independent editorial reports and product surveys. Suppliers pay for advertising in our trade magazines to promote their products and companies. We also derive revenue from buyers that subscribe to our trade publications and sourcing research reports.

We recognize revenue from our online and other media services ratably over the period in which the advertisement is displayed.

Exhibitions – trade shows and seminars - Our China Sourcing Fairs offer international buyers direct access to manufacturers in China and elsewhere in Asia. The first China Sourcing Fair was held in 2003. Subsequently, we launched China Sourcing Fairs events in Hong Kong, Dubai, Mumbai, India, Johannesburg, South Africa, Miami, USA and Sao Paulo, Brazil and held several China Sourcing Fairs events from 2004 to 2013. We host domestic trade shows in China under our Global Sourcing Fairs brand. We also host our International IC China Conferences and Exhibitions in Shenzhen, China each year and host the China International Optoelectronic Expo as well as FashionSZshow (formerly known as China (Shenzhen) International Brand Clothing & Accessories Fair) in Shenzhen, China in the third quarter of each year. In 2013, we moved our events in India from Mumbai to New Delhi.

We derive revenue primarily from rental of exhibit space and also from advertising and sponsorship fees in show guides and other locations in and around our event venues. We recognize exhibitor services revenue at the completion of the related events. Our major China Sourcing Fairs in Hong Kong are scheduled to be held in the second quarter and fourth quarter of each financial year. As a result, second and fourth quarter revenues are expected to be higher than the first and third quarter revenue.

Critical Accounting Policies

Our significant accounting policies are described in Note 2 to the consolidated financial statements included in Item 8 of this document. The following is a discussion of our critical accounting policies:

(a) Income Taxes

We have exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the Group wide provision for income taxes and recognition of deferred tax assets. The Group has open tax assessments with tax authorities at the balance sheet date and there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. We recognize liabilities for expected tax issues (Note 9 to the consolidated financial statements included in Item 8) based on reasonable estimates of whether additional taxes will be due and recognize deferred tax assets (Note 15 to the consolidated financial statements included in Item 8) on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax loss can be utilized. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions recognized in the period in which such determination is made.

(b) Goodwill and Intangible assets

Upon acquisition, the purchase consideration is allocated between the net tangible and intangible assets other than goodwill on a fair value basis with any excess purchase consideration representing goodwill. The valuation of the acquired intangible assets represents the estimated economic value in use, using the discounted cash flow method. Acquired intangible assets are capitalized and amortized systematically over their estimated useful lives (refer to note 2.7 to our consolidated financial statements included under Item 8 of this document), subject to impairment review.

Amortization periods are selected based on assessment of the longevity of the brands, the strength and stability of customer relationships, the market positions of the acquired assets and the technological and competitive risks they face. The longevity of these assets is evidenced by their long established and well regarded brands, and their characteristically stable market condition.

The carrying amounts of goodwill in each business are reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment in accordance to the accounting policy stated in note 2.8 to our consolidated financial statements included under Item 8 of this document. The carrying amounts of all other intangible assets are reviewed where there are indications of possible impairment.

At December 31, 2013 and 2012, we had goodwill balances of \$2.5 million and \$7.5 million, respectively. This goodwill relates the business acquisitions we did in 2009 and 2012. Upon acquisition, the purchase consideration is allocated between the net tangible and intangible assets other than goodwill on a fair value basis with any excess purchase consideration representing goodwill.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

Goodwill is allocated to our CGUs identified according to operating segments. An operating segment-level summary of the goodwill allocation as of December 31, 2013 and 2012 was as follows:

	December 31, 2013	December 31, 2012
Exhibitions, Haoji Group Limited	\$ -	\$ 5.0
Exhibitions, eMedia South China Limited	2.5	2.5
	\$ 2.5	\$ 7.5

The trademarks intangible assets relating to the acquired businesses as at December 31, 2013 and 2012 were as follows:

	December 31, 2013	December 31, 2012
Exhibitions, Haoji Group Limited	\$ 13.6	\$ 18.8
Exhibitions, eMedia South China Limited	3.9	4.3
Online and other media services business, EDN	0.7	1.0
	\$ 18.2	\$ 24.1

The carrying amounts of goodwill in each business are reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

An impairment review involves a comparison of the carrying value of the asset with the value in use based on our cash flow projections or fair value less cost to sell based on market comparable transactions or income approach. Key areas of judgment in estimating the recoverable amount of a CGU are the growth in cash flows over a five-year forecast period, the long term growth rate assumed thereafter and the discount rate applied to the forecast cash flows.

We performed an impairment review of goodwill balances at December 31, 2013. The recoverable amounts of CGUs were determined based on value-in-use calculations. For these calculations we used cash flow projections covering five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

Exhibitions, eMedia South China Limited:

For testing the goodwill for impairment at year end, we used the following key assumptions for value-in-use calculations:

- Revenue growth rate of average 2%
- Pre-tax discount rate of 22% applied to the pre-tax cash flow projections
- Growth rate beyond five years of 1.5%

We determined revenue growth rate based on past performance and its expectations of market developments. The discount rates used reflect specific risks relating to the relevant operating segment. Based on our testing, there was no impairment to goodwill for eMedia South China Limited as at December 31, 2013.

We have also performed a sensitivity analysis for the above exhibition business based on changes in key assumptions considered to be reasonably possible. There will be no impact to our results after tax if the pre-tax discount rate and the revenue growth applied to the discounted cash flows for this exhibition business at December 31, 2013 are raised by 1% and decreased by 1%, respectively, with all other variables including tax rate being held constant. In addition, there were no indicators of impairment for the trademark assets relating to eMedia South China Limited as at December 31, 2013. We have also assessed the useful lives of the trademarks and determined that no change in the useful lives was required.

Exhibitions, Haoji Group Limited :

Due to a slowdown in the current economic climate in China, we noted a significant decline in booth sales for the 2013 event. Accordingly, we performed an impairment review as at June 30, 2013, and we performed an annual impairment review again as at December 31, 2013. These reviews revealed a slow sales trend and a shortfall in the future cash flows to support the recoverability of the Haoji Group exhibition business. For testing the goodwill for impairment at year end, we used the following key assumptions for value-in-use calculations:

- Revenue growth rate of average 16%
- Pre-tax discount rate of 22% applied to the pre-tax cash flow projections
- Growth rate beyond five years of 1.5%

We determined revenue growth rate based on past performance and its expectations of market developments. The discount rates used reflect specific risks relating to the relevant operating segment. The cash flow projections we used were based on the detailed financial and operating plans of the business and the more than anticipated softening of the fashion industry exhibitions market since the end of financial year 2012. Accordingly, impairment of \$5.0 million to goodwill and \$3.5 million to trademark intangible assets were recorded in the consolidated income statement for the year ended December 31, 2013. After recording the goodwill charge, the balance of goodwill relating to this business as at December 31, 2013 was nil.

On October 1, 2013, we reviewed the useful lives of the trademarks of the Haoji Group, taking into account the downward trend in the fashion industry sector in China, and revised the useful lives of the trademarks from seventeen years to seven years. The effect of this change in the accounting estimate was recognized prospectively from October 1, 2013. We recorded additional amortization expense of \$0.5 million during the year ended December 31, 2013 resulting from the change in accounting estimate. Annual amortization expense is expected to be higher by \$1.5 million during future financial years due to the change in accounting estimate.

We have also performed a sensitivity analysis for the above exhibition business based on changes in key assumptions considered to be reasonably possible. Our profit after tax will reduce by \$0.5 million and \$ 0.8 million if the pre-tax discount rate and the revenue growth applied to the discounted cash flows for this exhibition business at December 31, 2013 are raised by 1% and decreased by 1%, respectively, with all other variables including tax rate being held constant.

Online and other media services business, EDN:

During the years ended December 31, 2012 and 2011, the Group recorded impairment of \$1.4 million and \$0.7 million to goodwill due to more than anticipated softening of the print advertising business. The balance of goodwill relating to EDN business was \$nil as at December 31, 2012. There were no impairment indicators for our EDN business as at December 31, 2013.

For both our exhibitions businesses as well as online and other media services business the estimated future cash flows are based on our internal business plans, adjusted as appropriate for our views of the overall demand for our business-to-business media services. Our internal business plans for exhibitions businesses reflect management's assumptions related to customer participation in our events, booth yields and visitor traffic. The business plans assume the occurrence of certain events in the future, such as the future booth yields, continued participation by our existing customers and renewal of certain contracts, continued services from key personnel, availability of suitable venues and future visitor traffic volumes. We also make assumptions regarding the sales costs and event organizing costs based on the expected outcome of the aforementioned events. Should the actual outcome of some or all of these assumptions differ significantly from the current assumptions, revisions to current cash flow assumptions could cause the fair value of our reporting units to be significantly different in future periods.

Another significant factor is our dependence on revenue from the mainland China market. Adverse political, legal or economic changes in mainland China or increased competition in China market may harm our business and cause our revenues to decline or the overall level of global demand for mainland China's and Asia's exports may not be sustainable in the future which may also cause the fair value of our reporting units to be significantly different in future periods.

We perform an annual impairment tests at each year-end. In between annual tests, we monitor our estimates and assumptions regarding estimated future cash flows and will update our impairment analyses if a triggering event occurs. While we believe our assumptions are reasonable, actual results may differ from our projections. To the extent projected results or cash flows are revised downward, the CGU may be required to write down all or a portion of its goodwill, which would adversely impact our earnings.

Results of Operations

The following table sets forth our results of operations as a percentage of total revenue:

	Year ended December 31,		
	2013	2012	2011
Revenue			
Online and other media services	53%	59%	63%
Exhibitions	43	38	35
Miscellaneous	4	3	2
	100	100	100
Operating Expenses:			
Sales	31	35	36
Event production	12	11	11
Community and content	14	14	15
General and administrative	26	19	18
Information and technology	7	6	6
Total Operating Expenses	90%	85%	86%
Profit on sale of property	8	-	-
Profit from Operations	18%	15%	14%
Net profit attributable to the Company's shareholders	17%	14%	13%
Diluted net profit per share attributable to the Company's shareholders	\$ 0.91	\$ 0.90	\$ 0.83
Shares used in diluted net profit per share calculations	36,068,326	35,385,218	41,693,616

The following table represents our revenue by geographical areas as a percentage of total revenue:

	Year ended December 31,		
	2013	2012	2011
China	83%	82%	79%
Rest of Asia	15	15	18
USA	2	3	3
Europe	0	0	0
Other	0	0	0
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Fiscal Year 2013 Compared to Fiscal Year 2012

Revenue

Total revenue declined by 15% to \$197.5 million during the year ended December 31, 2013 from \$231.7 million during the year ended December 31, 2012. A weakened China export market coupled with increased competition contributed to a reduced revenue yield from our customers, affecting our revenue growth negatively. In addition, the decline in the revenue of our FashionSZshow and as we absorbed more value added tax (“VAT”) in 2013 compared to 2012 due to the implementation of VAT in China in a phased manner starting with one region in early 2012 and gradually implementing throughout the country, reduced our revenue for the year ended December 31, 2013. Our Online and Other Media Services revenue declined by \$31.5 million or 23% to \$104.6 million for the year ended December 31, 2013, as compared with \$136.1 million for the year ended December 31, 2012, primarily due to a 23% decline in our China market and declines in some of our Asian and US markets. The decline in our Online and Other Media Services revenue resulted from a 23% decline in both our revenue from hosting online websites and digital magazines for our customers and our print advertising services revenue. China represented 79% of Online and Other Media Services revenue for the year ended December 31, 2013 as well as for the year ended December 31, 2012. Our Exhibitions revenue declined by 4% from \$88.8 million for the year ended December 31, 2012 to \$85.6 million for the year ended December 31, 2013, mainly due to a decline in booth sales in our China Sourcing Fairs events in Dubai, Mumbai, India, FashionSZshow and the cancellation of our June 2013 and December 2013 Global Sourcing Fairs events in Shanghai, China. The above decline was partially offset by growth in booth sales in our China Sourcing Fairs events in Sao Paulo, Brazil and our Electronics show in our China Sourcing Fairs events in Hong Kong.

Operating expenses

Sales

We utilize independent sales representatives employed by independent sales representative organizations in various countries and territories to promote our products and services. Under these arrangements, the sales representative organizations are entitled to commissions as well as marketing fees. These representative organizations sell online services, advertisements in our trade magazines and exhibitor services and earn commission as a percentage of revenue generated. The commission expenses are expensed as incurred. For online and other media services, the commission expense is incurred when the associated revenue is recognized or when the associated accounts receivable are paid, whichever is earlier. For exhibitions, the commission expense is incurred when the associated revenue is recognized upon conclusion of the event. Sales costs consist of operating costs for our sales departments and the commissions, marketing fees and incentives provided to our independent sales representative organizations, as well as sales support fees for processing sales contracts.

Sales costs declined by 23% from \$80.4 million during the year ended December 31, 2012 to \$62.0 million during the year ended December 31, 2013. The decline in sales costs was mainly due to a decline in sales commissions due to a 15% decline in our total revenue, a decline in marketing fees and by a reduction in business tax expense due to the implementation of VAT in China in a phased manner since January 2012.

Event Production

Event production costs consist of the costs incurred for hosting the exhibition or trade show and seminar events. Event production costs include venue rental charges, booth construction costs, travel costs incurred for the event hosting and other event organizing costs. The event production costs are deferred and recognized as an expense when the related event occurs.

Event production costs declined from \$26.3 million during the year ended December 31, 2012 to \$24.4 million during the year ended December 31, 2013, a decline of 7%. The decline was mainly due to smaller scale China Sourcing Fairs events in Dubai and FashionSZshow and the cancellation of our June 2013 and December 2013 Global Sourcing Fairs events in Shanghai, China off-set partially by the increase in event organizing costs resulting from a higher number of booths sold in our China Sourcing Fairs events in Sao Paolo, Brazil.

Community and Content

Community and content costs consist of the costs incurred for servicing our buyer community, for marketing our products and services to the global buyer community and our content management services costs for our print publications business and online services business. Community and content costs also include costs relating to our trade magazine publishing business and marketing inserts business, specifically printing, paper, bulk circulation and magazine subscription promotions, promotions for our on-line services, customer services costs and the event specific promotions costs incurred for promoting the China Sourcing Fairs events and the technical conferences, exhibitions and seminars to the buyer community. The event specific promotion costs incurred for events are expensed as incurred.

Community and content costs decreased by 16% from \$32.7 million during the year ended December 31, 2012 to \$27.5 million during the year ended December 31, 2013 due mainly to the decline in bulk circulation costs, printing charges, paper consumption, promotions for our publications business and promotion costs for our trade show business and our participation in third party trade shows. We also reduced our content management services costs.

General and Administrative

General and administrative costs consist mainly of corporate staff compensation, marketing costs, office rental, depreciation, communications and travel costs, foreign exchange gains/losses arising from the revaluation of monetary assets and monetary liabilities, amortization of software and intangible assets as well as the goodwill impairment charge discussed below.

We have issued share awards under an equity compensation plan (ECP), the Global Sources Retention Share Grant Plan and the Global Sources Retention Share Grant Plan II (amended effective as of May 1, 2012), to former employees, consultants and employees of third party service providers when they resign or retire from their respective employment or consultancy service. Under these two plans, the share grants vest over a five-year period on a graded vesting basis, with 20% of shares vesting each year. The grantee is subject to the non-competition terms stipulated in the plan. There is no vesting condition other than the non-competition terms. Under the above plans, if the grantee fails to comply with the non-competition terms, his or her unvested shares may be forfeited. We recognize the intangible assets relating to the non-competition provisions of these awards at the fair value of the respective award. The intangible assets are amortized over the non-competition period on a straight line basis. The amortization expense relating to these intangible assets is included in the general and administrative costs.

In December 2009, our subsidiary, eMedia Asia Limited, acquired a 70% interest in China International Optoelectronic Expo exhibition business. We recorded the acquired intangible assets at fair value of \$5.8 million and goodwill of \$2.5 million in connection with this acquisition. The amortization expense relating to these acquired intangible assets is included in the general and administrative costs.

On April 2, 2011, our subsidiary, eMedia Asia Limited acquired a 100% interest in the EDN China and EDN Asia publications business and recorded the acquired intangible assets at fair value of \$1.6 million and goodwill of \$2.0 million in connection with this acquisition. The amortization expense relating to these acquired intangible assets is included in the general and administrative costs. The goodwill related to this acquisition has been fully impaired and charged to the consolidated income statement by the end of 2012 and the net book value of goodwill as of December 31, 2013, was nil.

On March 9, 2012, we acquired an 80% interest in FashionSZshow (formerly known as China (Shenzhen) International Brand Clothing & Accessories Fair) in mainland China. We recorded the acquired intangible assets at a fair value of \$20.4 million, goodwill of \$5.0 million and related deferred tax liabilities of \$5.1 million in connection with this acquisition. The amortization expense relating to these acquired intangible assets is included in the general and administrative costs.

On October 1, 2013, in view of the downward trend in the fashion industry sector in China, the management reviewed the useful lives of the trademark intangible assets of the FashionSZshow business and revised the useful lives of the trademark intangible assets to seven years from the original seventeen years. The effect of this change in the accounting estimate was recognized prospectively from October 1, 2013. We recorded additional amortization expense of \$0.5 million during the fourth quarter of 2013 resulting from the change in accounting estimate. Annual amortization expense is expected to be higher by \$1.5 million during future financial years due to this change in accounting estimate.

Due to slow down in the current economic climate in China, management noted a significant decline in booth sales for the 2013 FashionSZshow event. Accordingly, management performed an impairment review in the second quarter of 2013 which revealed a shortfall in the future cash flows to support the recoverability of the carrying value of the FashionSZshow business. These calculations use cash flow projections by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates. Based on the review, management determined that the goodwill balance relating to the FashionSZshow business was partially impaired and recorded a \$2.5 million goodwill impairment charge in the general and administrative costs in the second quarter of 2013. Management performed an annual impairment review as at December 31, 2013 which revealed a slower sales trend and a further shortfall in the future cash flows to support the recoverability of the carrying value of the FashionSZshow business. These calculations use cash flow projections by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates. Based on the review, management determined that there was impairment to the goodwill and intangible assets and recorded a \$2.5 million goodwill impairment charge and a \$3.5 million trademark intangible assets impairment charge in the general and administrative costs in the fourth quarter of 2013. The net book values of the intangible assets and goodwill relating to the FashionSZshow business as at December 31, 2013 were \$13.6 million and \$ nil, respectively.

General and administrative costs increased by 14% from \$44.3 million during the year ended December 31, 2012 to \$50.3 million during the year ended December 31, 2013, due mainly to a goodwill impairment charge, an impairment charge of intangible assets, and an increase in amortization of intangible assets relating to our acquired FashionSZshow business, off-set partially by reductions in marketing costs, goodwill impairment charge relating to acquired EDN business in 2012 and foreign exchange gains arising from the revaluation of monetary assets and monetary liabilities.

Information and Technology

Information and technology costs consist mainly of payroll, office rental and depreciation costs and fees paid to third parties relating to our information and technology support services and the updating and maintenance of Global Sources Online.

Information and technology costs declined by 4% from \$13.2 million during the year ended December 31, 2012 to \$12.7 million during the year ended December 31, 2013 due mainly to reductions in depreciation costs and internet communications costs.

Non-Cash Compensation Expense

We have issued share awards under several ECPs to both employees and non-employees. The Company's share awards to non-employees are share grants to consultants and to employees of third party service providers. We also recognize non-cash compensation expenses relating to the share awards granted to our directors under The Global Sources Directors Share Grant Award Plan.

The share grants to employees and non-employees generally vest over a six-year period on a graded vesting basis, with a percentage of shares vesting each year. The share grants have a service condition that the awardees who received the share grants must continue to provide the services during the vesting period. The awardees will receive the shares on the respective vesting dates if they continue to render services to the Company. If an awardee ceases to provide services, any shares that have not vested are forfeited.

Persons eligible to receive grants under the Global Sources Directors Share Grant Award Plan are the directors of the Company. Share grants to directors vest after four years or in accordance with such other vesting schedule as may be determined by the Plan Committee.

The vesting of share grants may be accelerated in the event of death of an awardee or if the Company is in liquidation or in certain other cases, such as if there is a takeover or a change of control of the Company.

The total non-cash compensation expenses, resulting from the ECPs, including The Global Sources Directors Share Grant Award Plan, recorded by us and included under the respective categories of expenses during the year ended December 31, 2013 and the year ended December 31, 2012 were \$2.2 million and \$2.4 million, respectively.

The corresponding amounts for the non-cash compensation expenses were credited to shareholders' equity.

Profit from Sale of Property

In the second quarter of 2013, we sold 1,939.38 square meters of office space on the 46th floor of a building in Shenzhen, China known as Excellence Times Square, for a total cash consideration of approximately \$19.6 million and recorded a profit on sale of property of approximately \$11.0 million and related taxes of \$2.3 million resulting from this transaction.

In the first quarter of 2013 we sold 9,431 square feet of office space on the 26th floor of Southmark building in Hong Kong, China, and three car parking spaces, for a total cash consideration of approximately \$9.0 million and recorded a profit on sale of property of \$4.5 million resulting from this transaction.

The total profit on sale of property, relating to the above two transactions, recorded by us during the year ended December 31, 2013 was \$15.4 million. The above transactions are discussed in detail under the Liquidity and Capital Resources section of this Item 5.

Profit from Operations

The total profit from operations during the year ended December 31, 2013 was \$36.1 million as compared to \$35.0 million during the year ended December 31, 2012. The increase in total profit from operations resulted mainly from profit on sale of property and declines in sales costs, event production costs, information and technology costs and community and content costs, off-set partially by a decline in revenue and an increase in general and administrative costs.

Profit from operations for online and other media services declined from \$24.9 million during the year ended December 31, 2012 to \$20.2 million during the year ended December 31, 2013, a decline of 19%. The decline resulted mainly from a decline in online and other media services revenue partly off-set by reductions in sales costs, community and content costs, general and administration costs and information and technology costs. Profit from operations for exhibition services declined from \$7.3 million during the year ended December 31, 2012 to a loss of \$2.5 million during the year ended December 31, 2013, mainly due to the impairment loss in goodwill and intangible assets relating to one of our acquired exhibition businesses that we recorded in 2013 and increases in general and administration costs, off-set partially by an increase in exhibitions revenue and declines in event production costs and community and content costs. Profit from operations for all other segments marginally improved from \$2.8 million during the year ended December 30, 2012 to \$2.9 million during the year ended December 31, 2013 as a result of an increase in revenue in those segments.

Interest Income and gain on sale of available-for sale securities

We recorded interest income of \$1.5 million arising mainly from U.S. Treasury securities and term deposits placed with banks during the year ended December 31, 2013 compared to an interest income of \$1.0 million during the year ended December 31, 2012. The increase in interest income was mainly due to the higher yield on the term deposits with the banks for the year ended December 31, 2013. We also recorded \$0.06 million gain on sales of available-for-sale securities for the year ended December 31, 2013.

Income Taxes

Certain subsidiaries of the group operate in the Cayman Islands and other jurisdictions where there are no taxes imposed on companies. Some of our subsidiaries operate in Hong Kong SAR, Singapore, China and certain other jurisdictions and are subject to income taxes in their respective jurisdictions.

We reported a tax expense of \$4.8 million for the year ended December 31, 2013 and of \$2.7 million for the year ended December 31, 2012. The increase was mainly due to the \$2.3 million tax expenses relating to the sale of property in Shenzhen, China.

Net Profit Attributable to the Company

Net profit attributable to the Company increased from \$32.2 million during the year ended December 31, 2012 to \$32.7 million during the year ended December 31, 2013. The increase in net profit attributable to the Company resulted mainly from profit on sale of property, declines in sales costs, event production costs, community and content costs, information and technology costs, an increase in interest income and reduction in impairment loss on investment in associate, off-set partially by a decline in revenue and increases in general and administrative costs and income tax expense.

Diluted Net Profit per Share

The diluted net profit per share attributable to the Company's shareholders increased from \$0.90 for the year ended December 31, 2012 to \$0.91 for the year ended December 31, 2013. The number of shares used for the computation of net profit per share increased from 35.7 million to 36.1 million.

Fiscal Year 2012 Compared to Fiscal Year 2011

Revenue

Total revenue grew by 3% to \$231.7 million during the year ended December 31, 2012 from \$225.1 million during the year ended December 31, 2011. Following the introduction of Value Added Tax ("VAT") in China in 2012 in a phased manner, we absorbed the VAT and presented our revenue net of VAT, which reduced our revenue growth in 2012. Moreover, a weakened China export market resulting from the global economic downturn coupled with various types of products and services launched by our competitors contributed to a reduced revenue yield from our customers, affecting our revenue growth negatively. In addition, these factors also contributed to reduced advance collections from customers which could reduce our future revenue. The mainland China export market continues to be weak, affecting our online and other media services revenue, and in addition, magazine advertising continues to be under pressure from the global shift to alternative forms of advertising. Our online and other media services revenue declined by \$5.4 million or 4% to \$136.1 million for the year ended December 31, 2012, as compared with \$141.5 million for the year ended December 31, 2011, primarily due to declines in some of our Asian and US markets. The decline in our online and other media services revenue resulted mainly from a 27% decline in our print advertising offset by a growth of 1% in our revenue from hosting online websites and digital magazines for our customers. China represented 79% of online and other media services revenue for the year ended December 31, 2012 compared to 77% for the year ended December 31, 2011. Our Exhibitions revenue grew from \$78.0 million for the year ended December 31, 2011 to \$88.8 million for the year ended December 31, 2012, an increase of 14%, due mainly to the revenue contributed by the newly acquired China (Shenzhen) International Brand Clothing & Accessories Fair events in July 2012, the launching of our China Sourcing Fairs events in Brazil and increases in our booth sales in our China Sourcing Fairs events in Miami, USA and the China International Optoelectronic Expo in Shenzhen, China. The above increase was partially offset by decreases in booth sales for our China Sourcing events in Dubai and Mumbai, India and International IC China Conferences and Exhibitions in Shenzhen, China.

We continue to focus on the China market. We expanded our market share in China in both the online and other media services and the exhibition services through a series of marketing efforts including the launching of new exhibition events and achieving higher booth yields in year 2012 for our exhibition events and through merger and acquisition activities. Total revenue from China grew by 7% during the year ended December 31, 2012 compared to the year ended December 31, 2011, although our total company revenue grew only by 3% during the year. This indicates our revenue growth from China market was more robust compared to our revenue growth from other markets.

Operating expenses

Sales

We utilize independent sales representatives employed by independent sales representative organizations in various countries and territories to promote our products and services. Under these arrangements, the sales representative organizations are entitled to commissions as well as marketing fees. These representative organizations sell online services, advertisements in our trade magazines and exhibitor services and earn a commission as a percentage of revenue generated. For online and other media services, the commission expense is recognized when the associated revenue is recognized or when the associated accounts receivable are paid, whichever is earlier. For exhibitions, the commission expense is recognized when the associated revenue is recognized upon conclusion of the event. Sales costs consist of operating costs for our sales departments and the commissions, marketing fees and incentives provided to our independent sales representative organizations, as well as sales support fees for processing sales contracts.

Sales costs declined by 1% from \$81.4 million during the year ended December 31, 2011 to \$80.4 million during the year ended December 31, 2012. The decline in sales costs was mainly due to a lower rate of sales cost for certain exhibition events. In addition, during 2012, Value Added Tax (VAT) has been introduced to replace the business tax on advertising and exhibitions businesses in China. The implementation is being carried out in a phased manner starting with Shanghai region in the first quarter and gradually implemented in all regions across the country. The introduction of VAT resulted in a lower China business tax expense for the year. The reduction in sales costs was off-set partially by growth in sales commission expense arising from the growth in revenue.

Event Production

Event production costs consist of the costs incurred for hosting the exhibition or trade show and seminar events. The event production costs include venue rental charges, booth construction costs, travel costs incurred for the event hosting and other event organizing costs. The event production costs are deferred and recognized as an expense when the related event occurs.

Event production costs increased from \$24.6 million during the year ended December 31, 2011 to \$26.3 million during the year ended December 31, 2012, an increase of 7%. The increase was due to a higher number of events in 2012, including the newly acquired FashionSZ Show (formerly known as China (Shenzhen) International Brand Clothing & Accessories Fair) and the launch of our China Sourcing Fairs events in Brazil, off-set partially by a reduction in event production costs resulting from a lower number of booths sold, especially in the China Sourcing Fairs events in Dubai and Mumbai, India and International IC China Conferences and Exhibitions in Shenzhen, China.

Community and Content

Community and content costs consist of the costs incurred for servicing our buyer community, for marketing our products and services to the global buyer community and our content management services costs for our print publications business and online services business. Community and content costs also include costs relating to our trade magazine publishing business and marketing inserts business, specifically printing, paper, bulk circulation and magazine subscription promotions, promotions for our on-line services, customer services costs and the event specific promotions costs incurred for promoting the China Sourcing Fairs events and the technical conferences, exhibitions and seminars to the buyer community. The event specific promotion costs incurred for events are expensed as incurred.

Community and content costs decreased by 4% from \$34.1 million during the year ended December 31, 2011 to \$32.7 million during the year ended December 31, 2012 due mainly to a 16% decline in our bulk circulation costs, a 17% decline in printing charges and an 18% decline in paper consumption and a reduction in our content management services costs.

General and Administrative

General and administrative costs consist mainly of corporate staff compensation, marketing costs, office rental, depreciation, communications and travel costs, foreign exchange gains/losses arising from the revaluation of monetary assets and monetary liabilities, amortization of software and intangible assets.

We have issued share awards under an ECP and the Global Sources Retention Share Grant Plan to former employees, consultants and employees of third party service providers when they resign or retire from their respective employment or consultancy service. Under these two plans, the share grants vest over a five-year period on a graded vesting basis, with 20% of shares vesting each year. The grantee is subject to the non-competition terms stipulated in the plan. There is no vesting condition other than the non-competition terms. We established The Global Sources Retention Share Grant Plan II (amended effective as of May 1, 2012) in the second quarter of 2012 to issue share awards to former employees, consultants and employees of third party service providers when they resign or retire from their respective employment or consultancy service. Under this plan, the share grants vest over a five-year period on a graded vesting basis, with 20% of shares vesting each year. The grantee is subject to the non-competition terms stipulated in the plan. There is no vesting condition other than the non-competition terms. Under the above plans, if the grantee fails to comply with the non-competition terms, his or her unvested shares may be forfeited. Where the Company has the ability to enforce the non-competition agreement and the grantees are entitled to the shares, we recognize the intangible assets relating to the non-competition provisions of these awards at the fair value of the respective award. The intangible assets are amortized over the non-competition period on a straight line basis. The amortization expense relating to these intangible assets is included in the general and administrative costs.

In December 2009, our subsidiary, eMedia Asia Limited, acquired a 70% interest in China International Optoelectronic Expo exhibition business. We recorded the acquired intangible assets at fair value of \$5.8 million and goodwill of \$2.5 million in connection with this acquisition. The amortization expense relating to these acquired intangible assets is included in the general and administrative costs. There was no impairment to goodwill for the year ended December 31, 2012.

On April 2, 2011, our subsidiary, eMedia Asia Limited acquired a 100% interest in EDN China and EDN Asia publications business and recorded the acquired intangible assets at fair value of \$1.6 million and goodwill of \$2.0 million in connection with this acquisition. The amortization expense relating to these acquired intangible assets is included in the general and administrative costs. Management performed an impairment review in the fourth quarter of 2012 which revealed a shortfall in the future cash flows to support the recoverability of the EDN business. The cash flow projections used by management were based on the detailed financial and operating plans of the business and the larger than anticipated softening of the print advertising market since the end of 2011. Based on the review, management determined that the goodwill balance relating to the EDN business was fully impaired and recorded a \$1.4 million goodwill impairment charge in the general and administrative costs in the fourth quarter of 2012. The net book values of goodwill relating to the EDN business as at December 31, 2012 was \$nil.

On March 9, 2012, we acquired an 80% interest in China (Shenzhen) International Brand Clothing & Accessories Fair in mainland China. We recorded the acquired intangible assets at a fair value of \$20.4 million, goodwill of \$5.0 million and related deferred tax liabilities of \$5.1 million in connection with this acquisition. The amortization expense relating to these acquired intangible assets is included in the general and administrative costs.

General and administrative costs increased by 9% from \$40.1 million during the year ended December 31, 2011 to \$44.3 million during the year ended December 31, 2012, due mainly to increases in marketing expenses and payroll costs, the depreciation cost attached to the acquisition of the Shanghai property in the third quarter of 2011 and amortization expenses for acquired intangible assets relating to the China (Shenzhen) International Brand Clothing & Accessories Fair business and an increase in the goodwill impairment charge relating to our acquired EDN business.

Information and Technology

Information and technology costs consist mainly of payroll, office rental and depreciation costs and fees paid to third parties relating to our information and technology support services and the updating and maintenance of Global Sources Online.

Information and technology costs increased by 5% from \$12.6 million during the year ended December 31, 2011 to \$13.2 million during the year ended December 31, 2012 due mainly to increases in payroll costs and fees paid for software updating and maintenance to third party consultants off-set partially by a decline in internet and website hosting costs.

Non-Cash Compensation Expense

We have issued share awards under several equity compensation plans (“ECP”) to both employees and non-employees. The Company’s share awards to non-employees are share grants to consultants and to employees of third party service providers. We also recognize non-cash compensation expenses relating to the share awards granted to our directors under The Global Sources Directors Share Grant Award Plan.

The share grants to employees and non-employees generally vest over a six-year period on a graded vesting basis, with a percentage of shares vesting each year. The share grants have a service condition that the awardees who received the share grants must continue to provide the services during the vesting period. The awardees will receive the shares on the respective vesting dates if they continue to render services to the Company. If an awardee ceases to provide services, any shares that have not vested are forfeited.

Persons eligible to receive grants under the Global Sources Directors Share Grant Award Plan are the directors of the Company. Share grants to directors will vest after four years or in accordance with such other vesting schedule as may be determined by the Plan Committee.

The vesting of share grants may be accelerated in the event of death of an awardee or if the Company is in liquidation or in certain other cases, such as if there is a takeover or a change of control of the Company.

The total non-cash compensation expenses, resulting from the ECPs, and The Global Sources Directors Share Grant Award Plan, recorded by us and included under the respective categories of expenses for the year ended December 31, 2012 and December 31, 2011 were \$2.4 million and \$2.8 million respectively.

The corresponding amounts for the non-cash compensation expenses were credited to shareholders’ equity.

Profit from Operations

The total profit from operations during the year ended December 31, 2012 was \$35.0 million as compared to \$31.7 million during the year ended December 31, 2011. The increase in total profit from operations resulted mainly from an increase in revenue and reductions in sales costs and community and content costs partially offset by increases in event production costs, general and administrative costs and information and technology costs.

Profit from operations for online and other media services increased from \$21.1 million during the year ended December 31, 2011 to \$24.9 million during the year ended December 31, 2012, an increase of 18%. The growth resulted mainly from reductions in sales costs, community and content costs and general and administration costs partially off-set by a reduction in online and other media services revenue and increases in information and technology costs. Profit from operations for exhibition services remained at the same level of \$7.3 million during the years ended December 31, 2011 and December 31, 2012, mainly due to the growth in exhibitions revenue was off-set by increases in sales costs, event production costs, community and content costs and general and administrative costs. Profit from operations for all other segments declined from \$3.4 million during the year ended December 30, 2011 to \$2.8 million during the year ended December 31, 2012 as a result of increase in depreciation costs and general and administration costs off-set partially by the increase in revenue.

Interest income

We recorded interest income of \$1.0 million arising mainly from U.S. Treasury securities and term deposits placed with banks during the year ended December 31, 2012 compared to an interest income of \$0.4 million during the year ended December 31, 2011. The increase in interest income was mainly due to the higher yield on the term deposits with the banks for the year ended December 31, 2012.

Income Taxes

Certain subsidiaries of the group operate in the Cayman Islands and other jurisdictions where there are no taxes imposed on companies. Some of our subsidiaries operate in Hong Kong SAR, Singapore, China and certain other jurisdictions and are subject to income taxes in their respective jurisdictions.

We reported a tax expense of \$2.7 million during the year ended December 31, 2012 and of \$1.6 million for the year ended December 31, 2011. The effective tax rate for year ended December 31, 2012 was 8% compared to the effective tax rate of 5% for the year ended December 31, 2011. The increase in the effective tax rate is mainly due to the tax provision on the growth in profit from our China domestic exhibition business and tax provisions on the dividends declared by subsidiaries in China.

Net profit attributable to the Company

Net profit attributable to the Company increased from \$29.5 million during the year ended December 31, 2011 to \$32.2 million during the year ended December 31, 2012. The increase in net profit attributable to the Company resulted mainly from a growth in revenue, higher interest income and reductions in sales costs and community and content costs, partially offset by increases in event production costs, general and administrative costs and information and technology costs and an impairment loss on an investment in an associate in 2012 and an increase in tax provision.

Diluted Net profit Per Share

The diluted net profit per share attributable to the Company's shareholders increased from \$0.83 for the year ended December 31, 2011 to \$0.90 for the year ended December 31, 2012. The number of shares used for the computation of net profit per share increased from 35.4 million to 35.7 million.

Liquidity and Capital Resources

We financed our activities for the year ended December 31, 2013 using cash generated from our operations and we had no bank debt as at December 31, 2013.

Net cash generated from operating activities was \$31.1 million for the year ended December 31, 2013, compared to \$31.3 million for the year ended December 31, 2012. The primary source of cash from operating activities was collections from our customers received through our independent sales representative organizations. The majority of our customers in mainland China pay us in advance for our Online and Other Media Services business. The majority of our Exhibitions business collections are advance payments. The 23% decline in our online and other media services revenue in 2013 compared to 2012 was a reflection of the reduction in advance payments from customers from \$110.1 million at the end of 2011 to \$93.6 million at the end of 2012 resulting mainly from the decline in advance payments from our customers in mainland China for our online and other media services business which was impacted by the global economic downturn and increased competition in the market. This decline appears to have mostly stabilized in 2013 resulting in \$90.4 million advance payments from customers as at the end of 2013.

Receivables from sales representative organizations increased from \$7.8 million as of December 31, 2012 to \$10.6 million as of December 31, 2013 as the sales representatives are in the process of remitting the collections to us. These collections will be transferred to our bank accounts in the coming months. The receivables from sales representative represent cash receipts from our customers, net of commissions and fees payable, and which are collected by the independent sales representatives on our behalf. These cash receipts are banked into designated bank accounts owned by the independent sales representatives in China. For credit risk management purposes, our employees are the only authorized signatories for the withdrawal of cash from these bank accounts. We have long standing relationships with a majority of these independent sales representatives, for whom there is no recent history of default in transferring the funds to us. In the long term, if our China business and our exhibition business grow as the economic climate improves, the receivables from sales representative organizations may increase.

We continuously monitor collections from our customers and maintain an adequate provision for impairment of receivables. While credit losses have historically been within our expectations and the allowances established, if bad debts significantly exceed our provisions, additional provisions may be required in future.

We did not recognize deferred income tax assets of \$9.1 million in respect of losses as at December 31, 2013 that can be carried forward against future taxable income as the losses arose from dormant and/or loss-making subsidiaries whereby the realization of the related tax benefit through future taxable profits is not probable.

Net cash generated from investing activities was \$3.3 million during the year ended December 31, 2013, resulting mainly from \$27.9 million proceeds from the sale of property and equipment and investment property, \$5.8 million proceeds from matured term deposits with banks, \$1.3 million of proceeds from the sale of available-for-sale financial assets and \$1.5 million interest received, off-set partially by \$24.6 million purchase of property and \$2.4 million for the purchase of computers, software, office equipment and leasehold improvements, a \$4.4 million balance payment for the acquisition of a controlling interest in a subsidiary and \$1.8 million term deposits placed with banks. Net cash used in investing activities was \$7.6 million during the year ended December 31, 2012 resulting mainly from the \$11.4 million payment for the acquisition of a controlling interest in a subsidiary, \$1.4 million cash used for purchase of computers, software, office equipment and leasehold improvements, \$5.0 million placement of term deposits with banks, \$12.6 million purchase of available-for-sale securities off-set partially by \$18.4 million proceeds from sale of available-for-sale securities, \$3.6 million proceeds from matured terms deposits with the banks and \$1.0 million interest received.

Capital expenditures during the three months period ended March 31, 2014 amounted to \$14.5 million and were incurred mainly for the purchase of commercial property in Singapore, computers, software, office equipment and for office renovation. Our capital expenditures were financed using cash generated from our operations.

In 2004, 2007 and 2008 we purchased office space of 9,000 square meters, 1,939.38 square meters and 6,364.50 square meters, respectively, in commercial buildings in Shenzhen China. In 2008 we also purchased office space of 22,874 square feet together with six car parking spaces in a commercial building in Hong Kong SAR. In the third quarter of 2011, we purchased office space of approximately 6,668 square meters in a commercial building in Shanghai, China at a purchase price of approximately \$52.0 million, to support our continued business expansion in China. The payments for these acquisitions were funded from our internal cash resources. These buildings are situated on leasehold lands with lease periods ranging between 50 and 55 years. We record the depreciation on these assets on a straight-line basis over the remaining lease terms.

In order to reduce our exposure to potential rental cost increases, we signed a sale and purchase agreement on March 18, 2013 for the purchase of commercial property on the 21st, 22nd and 23rd floors of the Vita Tower in Hong Kong, China, which we were previously leasing for operational use. This comprised a total of 36,822 square feet of office space, for a total purchase consideration of approximately \$23.6 million. The transaction was conducted on an arm's-length basis based on due diligence procedures performed by management to ensure that it was transacted at fair value. The transaction was completed on March 28, 2013 and the total purchase consideration was paid by us. The \$24.6 million total cost of the purchase, including transaction costs of approximately \$1.0 million was recorded under property and equipment.

On March 18, 2013, we signed a sale and purchase agreement for the sale of office space on the 26th floor of Southmark building in Hong Kong, China, which was recorded under property and equipment, comprising a total area of 9,431 square feet, and three car parking spaces, for a total cash consideration of approximately \$9.0 million. The transaction was conducted on an arm's-length basis based on due diligence procedures performed by management to ensure that it was transacted at fair value. The transaction was completed on March 28, 2013 and the full payment was received on April 2, 2013. We recorded a gain on sale of property of \$4.5 million resulting from this transaction in our consolidated income statement for the three months ended March 31, 2013.

With intent to realign our real estate property holding position, we decided to dispose of one of our commercial properties that was vacant. Accordingly, on April 27, 2013, we entered into a sale and purchase agreement for the sale of 1,939.38 square meters of office space on the 46th floor of a building in Shenzhen, China known as Excellence Times Square, for a total cash consideration of approximately \$19.6 million. The full payment of the purchase price was received on May 3, 2013. We recorded a gain on sale of property of \$11.0 million and related taxes of \$2.3 million resulting from this transaction in our consolidated income statement for the three months ended June 30, 2013. The proceeds from the sale of this property have been remitted out of China by way of capital reduction of the property-owning subsidiary to the shareholding company.

Management reviewed the usage of the office space as at December 31, 2011 and again as at December 31, 2012 and, based on the Company's intention, the portion of our properties that is designated to generate rental income in the short to medium term has been re-classified as Investment Properties. The net book value of the portion of these properties classified as Investment Properties as at December 31, 2013 and as at December 31, 2012 was \$89.6 million and \$97.4 million respectively. The total net book value of these office properties including the portion classified as Investment Properties and the portion classified under Property and Equipment as of December 31, 2013 and as of December 31, 2012 was \$134.5 million and \$122.8 million, respectively. The total market value of the office properties held as of December 31, 2013 and December 31, 2012 was \$229.4 million and \$219.7 million, respectively, based on independent valuation reports prepared by Savills Valuation and Professional Services Limited, Hong Kong. We did not record the market valuation gains as we record our Property and Equipment and Investment Properties at cost less the accumulated depreciation.

We invest our excess cash in term deposits with commercial banks, U.S. Treasury securities and available-for-sale securities to generate income from interest received as well as capital gains, while the funds are held to support our business.

Generally, we hold securities with specified maturity dates such as Treasury Bills until their maturity. We invest excess cash on hand in U.S. Treasury Bills, in term deposits with major banks and available-for-sale securities to generate interest income. The market values of our U.S. Treasury Bills, term deposits with banks and other available-for-sale securities as at December 31, 2013 were \$13.2 million, \$98.1 million and \$6.4 million, respectively compared to the market values of our U.S. Treasury Bills, term deposits with banks and other available-for-sale securities as at December 31, 2012 of \$13.3 million, \$76.3 million and \$7.5 million, respectively. We do not engage in buying and selling of securities with the objective of generating profits on short-term differences in price or for other speculative purposes. Our objective is to invest to support our capital preservation strategy.

We hold a Documentary Credit facility with the Hongkong and Shanghai Banking Corporation Limited, for providing documentary credits to our suppliers. This facility has a maximum limit of approximately \$0.6 million. As at December 31, 2013, the unutilized amount under this facility was approximately \$0.6 million. Hongkong and Shanghai Banking Corporation Limited has also provided a guarantee on our behalf to our suppliers. As at December 31, 2013, such guarantee amounted to \$0.003 million.

During the first quarter of 2007, we entered into a number of venue license agreements for our exhibition events amounting to \$44.4 million in payments over five and a half years. In 2010, we entered into a number of venue license agreements for our exhibition events amounting to a gross value of approximately \$20.0 million in payments over five years. Subsequently, we signed supplemental agreements for additional space, increasing the total amount to \$20.7 million. In 2012 we signed additional agreements for a total amount of \$21.4 million. The above agreements are cancelable under force majeure or other specified conditions, or upon notice and payment of cancellation charges to the other party. The amounts paid will be expensed when the related events are held. As of December 31, 2013, we have paid approximately \$53.1 million in aggregate under these agreements.

Net cash used in financing activities was \$2.0 million during the year ended December 31, 2013, resulting from \$2.0 million payment of dividends to non-controlling shareholders by subsidiaries. Net cash used in financing activities was \$1.3 million during the year ended December 31, 2012, resulting from \$1.3 million payment of dividends to non-controlling shareholders by subsidiaries.

On February 4, 2008, our Board of Directors authorized a program to buy back up to \$50.0 million of common shares. We may, from time to time, as business conditions warrant, purchase shares in the open market or through private transactions. The buyback program does not obligate us to buy back any specific number of shares and may be suspended or terminated at any time at management's discretion. The timing and amount of any buyback of shares will be determined by management based on its evaluation of market conditions and other factors. As of December 31, 2013, we have not bought back any of our shares under this program.

In March 2012, we acquired an 80% interest in Haoji Group Limited which, through a subsidiary incorporated in Hong Kong, owns 100% of Huanyu Shishang Exhibition (Shenzhen) Co., Ltd, a company incorporated in China, that organizes and hosts the FashionSZshow (formerly known as China (Shenzhen) International Brand Clothing & Accessories Fair), one of the largest fashion shows in Asia, for a total consideration of up to approximately \$17.0 million, comprising an initial cash consideration of approximately \$12.7 million that was paid upon completion of the transaction, and an additional cash consideration of approximately \$4.3 million that was paid in February 2013 upon certain performance related conditions having been fulfilled. During the second quarter of 2013, management performed an impairment review which revealed a shortfall in the future cash flows to support the recoverability of the

FashionSZshow business. Based on the review, we recorded a \$2.5 million goodwill impairment charge in the general and administrative costs in the second quarter of 2013. Management performed an annual impairment review as at December 31, 2013 which revealed a slower sales trend and further shortfall in the future cash flows to support the recoverability of the carrying value of the FashionSZshow business. Based on the review, we recorded a \$2.5 million goodwill impairment charge and a \$3.5 million trademark intangible assets impairment charge in the general and administrative costs in the fourth quarter of 2013. In addition, on October 1, 2013, the management reviewed the useful lives of the trademark intangible assets of the FashionSZshow business taking into account the downward trend in the fashion industry sector in China and revised the useful lives of the trademark intangible assets to seven years from the original seventeen years. The effect of this change in the accounting estimate was recognized prospectively from October 1, 2013. We recorded additional amortization expense of \$0.5 million during the fourth quarter of 2013 resulting from the change in accounting estimate. The net book values of the intangible assets and goodwill relating to the FashionSZshow business as at December 31, 2013 were \$13.6 million and \$nil, respectively.

The Shenzhen International Machinery Manufacturing Industry Exhibition and its related shows (the “SIMM Events”) currently consist of two groups of co-located trade shows: (a) the Shenzhen International Machining Automation Exhibition and (b) the Shenzhen International Metal Forming Machine Tool & Mould Exhibition (collectively, the “Group A SIMM Events”); and (b) the Shenzhen International Metal Cutting Machine Tool Exhibition (the “Group B SIMM Events”). We entered into an agreement in April 2013 to acquire a 70% interest in the Group A SIMM Events and a 56% effective interest in the Group B SIMM Events, for a total consideration of approximately \$16.6 million. We paid an initial deposit of \$2.1 million in the third quarter of 2013. The balance cash consideration of \$14.5 million is payable in several installments over the next four years upon certain conditions being fulfilled. In addition, there is a potential obligation to pay an additional not more than approximately \$1.2 million for transaction cost, which will be expensed upon payment. We expensed \$0.2 million legal and other costs relating to this acquisition in 2013.

In order to reduce our exposure to potential rental cost increases, and to secure office space for our continued and uninterrupted operational use, we have signed a sale and purchase agreement on January 20, 2014 for the purchase of commercial property on the eighth floor of No. 1 Sims Lane, Singapore, with a total gross floor area of approximately 22,496.50 square feet, together with appurtenant roof top accessory lots above the eighth floor, which we currently lease for operational use for total consideration of approximately \$13.1 million. The transaction was completed on February 10, 2014 and the total purchase consideration has been paid by us.

On March 11, 2014, our board of directors authorized the repurchase of up to 5,000,000 of our issued and outstanding common shares by tender offer at a purchase price of \$10.00 per share. The total purchase consideration for this tender offer will be up to \$50.0 million. We expect to fund this share repurchase from our cash balance on hand. The offer is expected to commence before the end of April 2014 and is expected to be completed by the end of May 2014. We will hold the repurchased shares as treasury shares.

The following table summarizes our contractual obligations as of December 31, 2013:

	Payments due by period (in U.S. Dollars Thousands)				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Contractual Obligations					
Operating leases	\$ 684	\$ 599	\$ 85	-	-
Purchase obligations (including venue license/rental obligations)	\$ 34,850	\$ 11,582	\$ 23,268	-	-
Deferred income and customer prepayments - long term	\$ 5,660	-	\$ 5,660	-	-
Total	\$ 41,194	\$ 12,181	\$ 29,013	\$ -	\$ -

Provision for taxes have not been included in the above table because the periods of cash settlement with the respective tax authority cannot be reasonably estimated.

Deferred income and customer prepayments – long term have been included as the Company can be obliged to refund certain customer prepayments under certain circumstances.

We anticipate that our cash and securities on hand and expected positive cash-flows from our operations will be adequate to satisfy our working capital needs, capital expenditure requirements and cash commitments for the next 12 months. However, looking to the long term, we may raise additional share capital, sell debt securities, or obtain credit facilities as and when required to further enhance our liquidity position, and an issue of additional shares could result in dilution to our shareholders.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have a material effect or are reasonably likely to have a material future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Recent Accounting Pronouncements

New standards, amendments and interpretations issued that are effective for the financial year beginning on or after January 1, 2014;

Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. We adopted Amendments to IAS 36 for the accounting period beginning on January 1, 2014 and the adoption of this standard is not expected to have a significant impact on our financial statements.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The transitional provisions governing the switch to IFRS 9 have changed as a result of amendments to IFRS 9 and IFRS 7 – Mandatory Effective Date and Transition Disclosures. These amendments have postponed the date for mandatory first-time adoption to accounting periods beginning on or after January 1, 2018. Accordingly, we will adopt IFRS 9 when it becomes applicable. We will assess the impact on our financial statements, if any, when the final standard is announced.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on our group.

Non-IFRS Measures

In our press releases on our quarterly financials, we provide non-IFRS financial measures and IFRS to non-IFRS reconciliation tables to supplement our financial information presented in accordance with IFRS.

The non-IFRS financial measures that we use in our press releases on our quarterly financial information are the following:

“ Non-IFRS Net Profit ” is defined as IFRS net profit excluding non-cash stock based compensation expense or credit, amortization of intangible assets relating to certain non-compete agreements, gains or losses on acquisitions and investments, and/or impairment charges.

“ Non-IFRS diluted net profit per share ” is defined as Non-IFRS Net Profit divided by the weighted average of diluted common shares outstanding.

We believe that non-IFRS metrics are useful measures of operations because these help investors to understand and compare business trends among different reporting periods on a consistent basis, independently of share-based compensation and items non-indicative of recurring operating activities. Thus non-IFRS financial metrics enable investors to assess our operating results in a manner that is focused on the performance of our ongoing operations.

Readers should not place undue reliance on non-IFRS financial measures or regard them as a substitute for the nearest IFRS measures. Further, these non-IFRS financial measures may not be comparable to similarly titled measures used by other companies.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The following table sets forth information regarding the persons who are our executive officers and directors as of the date of this Annual Report.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Merle Allan Hinrich	72	Director and Executive Chairman
Spenser Au	59	Chief Executive Officer
Connie Lai	40	Chief Financial Officer
Brent Barnes	41	Chief Operating Officer
Peter Zapf	45	Chief Information Officer
Sarah Benecke	57	Director
Eddie Heng Teng Hua	63	Director
Roderick E. Chalmers	66	Director
David F. Jones	49	Director
James A. Watkins	68	Director
Yam Kam Hon Peter	67	Director

Mr. Hinrich has been a director since April 2000 and is currently our Executive Chairman. He was our Chief Executive Officer from April 2000 to August 2011. A co-founder of the business, he was the principal executive officer of our predecessor company, Trade Media Holdings Limited, a Cayman Islands corporation wholly owned by us (“Trade Media”), from 1971 through 1993 and resumed that position in September 1999. From 1994 to August 1999, Mr. Hinrich was chairman of the ASM Group, which included Trade Media. Mr. Hinrich is a director of Trade Media and has also been the Chairman of the Board of Trade Media. Mr. Hinrich graduated from the University of Nebraska and the Thunderbird School of Global Management (“Thunderbird”). Mr. Hinrich is a member of Tsinghua University International Advisory Board for China’s first-ever English-language Global Business Journalism program and an advisor to the Hong Kong Baptist University. After 22 years of service, he retired from the board of trustees of Thunderbird. He is a board member of the Economic Strategy Institute in Washington, D.C., co-founder and former chairman of The Society of Hong Kong Publishers, and the chairman of the council of members of the Hinrich Foundation. He is also an investment Promotion Ambassador with Invest Hong Kong. His term as director expires in 2015.

Mr. Au was appointed as our Chief Executive Officer in August, 2011. Mr. Au first became a team member 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.

Ms. Lai was appointed as our Chief Financial Officer effective 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 (“PwC”) Hong Kong. Ms. Lai graduated from the Chinese University of Hong Kong with a bachelor's degree in professional accountancy. She is also a Member of the Hong Kong Institute of Certified Public Accountants and a Fellow Member of the Association of Chartered Certified Accountants in the United Kingdom.

Mr. Barnes was appointed as our chief operating officer in January 2012. Mr. Barnes is responsible for the company's worldwide operations, including community development, content development, human resources and administration. Mr. Barnes began his career handling operations for a group of lobbyists in Austin, Texas. Later, he moved to Mexico City, where he 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.

Mr. Zapf was appointed as our chief information officer in 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 business-to-business market, after which he joined Hong Kong-based AsiaCommerce, a startup incubator, as Chief Executive Officer. He rejoined Global Sources in 2001, and was chief operating officer from January 2011 to December 2011. 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 Thunderbird, the American Graduate School of International Management.

Ms. Benecke has been a director since April 2000 and, since 1993, has been a director of Trade Media. Ms. Benecke was our principal executive officer from January 1994 through August 1999. She joined us in May 1980 and served in numerous positions, including publisher from 1988 to December 1992 and chief operating officer in 1993. From September 1999 to July 2010, Ms. Benecke served as a consultant to Publishers Representatives Ltd. (Hong Kong), a subsidiary of our company. Her consulting work focused largely on the launch, development and expansion of the "China Sourcing Fairs" in Shanghai, Hong Kong, Mumbai, Dubai, Singapore and Johannesburg. Ms. Benecke is also on the boards of Australian media company, McPherson Media, and Hong Kong art show organiser, Asia Contemporary Art Ltd. She graduated with a B.A. from the University of New South Wales, Australia. Her term as director expires in 2016.

Mr. Heng has been a director since April 2000. He joined us in August 1993 as deputy to the vice president of finance and was the Chief Financial Officer (previously titled vice president of finance) from 1994 until June 30, 2009. Mr. Heng returned to serve as Interim Chief Financial Officer from June 30, 2010 until August 1, 2010. He received an MBA from Schiller International University in London in 1993, is a Singapore Chartered Accountant, a member of the Institute of Singapore Chartered Accountants, and a Fellow Member of The Association of Chartered Certified Accountants in the United Kingdom. Mr. Heng is currently an audit committee member of Prison Fellowship Singapore, a Christian non-profit organization that provides counseling and skills training to prisoners and financial support to their families. Prior to joining us, he was the regional financial controller of Hitachi Data Systems, a joint venture between Hitachi and General Motors. His term as director expires in 2016.

Mr. Chalmers has been a director since October 2000. He was chairman, Asia-Pacific, of PricewaterhouseCoopers LLP and a member of PwC's Global Management Board from 1998 until his retirement in July 2000. He is a 30-year veteran with PwC's merger partner Coopers & Lybrand with specialist experience in the financial services industry. He has at various times been a non-executive director of the Hong Kong SAR Securities and Futures Commission, a member of the Takeovers and Mergers Panel, and chairman of the Working Group on Financial Disclosure. He is currently a director of Gasan Group Limited (Malta), and Simonds Farsons Cisk Limited (Malta). He was the Chairman of the Board of Directors of the Bank of Valletta plc from 2004 until his retirement from that position in 2012. His term as director expires in 2015.

Mr. Jones has been a director since April 2000. He is the CEO of the Australian Clean Energy Finance Fund, a solar energy financing business. From August 2011 to February 2013, Mr. Jones was with Better Place Inc., a global electric vehicle services provider, where he was Vice President Global Corporate Development and Strategy. He spent the previous 17 years in the private equity industry, and before that he was in management consulting, investment banking and general management. Mr. Jones was Managing Director of CHAMP Private Equity, a leading Australian buyout firm from 2002 to 2011. In 1999, he founded and, until 2002, led the development of UBS Capital's Australian and New Zealand business. Prior to that, he spent four years with Macquarie Direct Investment, a venture capital firm in Sydney, Australia, and one year at BancBoston Capital in Boston, Massachusetts. Mr. Jones began his career as a consultant with McKinsey & Company in Australia and New Zealand. He left McKinsey to take the role of general manager of Butterfields Cheese Factors, of the King Island Dairies group. He is a director of EC English Pty Ltd, EMR Capital Pty Ltd and The National Museum of Australia. He was previously Chairman of the Australian Venture Capital Association Limited and a director of various listed and unlisted companies in Australia. Mr. Jones holds a Bachelor of Engineering (First Class Hons.) from the University of Melbourne and a Master of Business Administration from Harvard Business School. His term as director expires in 2014.

Mr. Watkins was appointed as a casual director, (see “Election or Removal of Directors” under Item 10 for a description of a “casual director”) on February 28, 2005 and was elected as a director at our annual general meeting on May 9, 2005. Mr. Watkins was a director and group general counsel of the Jardine Matheson Group in Hong Kong from 1997 until 2003. He was group legal director of Schroders plc in 1996 to 1997 and of Trafalgar House plc from 1994 to 1996. He was previously a partner and solicitor in the London and Hong Kong offices of Linklaters from 1975 to 1994. He currently is a non-executive director of Mandarin Oriental International Ltd., Jardine Cycle & Carriage Ltd., Advanced Semiconductor Manufacturing Corporation Ltd., IL&FS India Realty Fund II LLC, Asia Satellite Telecommunications Holdings Ltd. and Hongkong Land Holdings Ltd., and is a member of the audit committees of Jardine Cycle & Carriage Ltd. and Asia Satellite Telecommunications Holdings Ltd. and the chairman of the audit committee of Advanced Semiconductor Manufacturing Corporation Ltd. Mr. Watkins has a law degree from the University of Leeds (First Class Hons.). His term as director expires in 2014.

Mr. Yam was first appointed as a director at our annual general meeting of shareholders on June 22, 2011. Mr. Yam joined Emerson (NYSE: EMR) in 1986 and is currently an advisor to Emerson Electric Asia-Pacific after he retired as president of Emerson Greater China and chairman of Emerson Electric (China) Holdings Co., Ltd in April 2008. For more than two decades, Mr. Yam played a key role in leading Emerson’s investments in China. Mr. Yam holds a bachelors degree in electrical engineering from the University of Hong Kong and an Executive MBA from the University of Chicago. He is also currently an adjunct professor of The Chinese University of Hong Kong’s Faculty of Business Administration Department of Management, a member of the College Council and the Board of Governors of the Centennial College, Hong Kong, and a council member of the Asian Corporate Governance Association. Mr. Yam was previously a member of the Suzhou Industrial Park International Advisory Committee from 2001 to 2008, a director of the Executive Committee of Foreign Investment Companies in Beijing from 2003 to 2008, a non-executive director of Sun Life Hong Kong Limited and affiliates from 2003 to 2010 and a member of the Board of Directors of the Hong Kong Science & Technology Parks Corporation from 2001 to 2006, and he also previously served as a vice-president of the American Chamber of Commerce in Hong Kong, a visiting professor of Nanjing University’s School of Business and a visiting professor of Jiangmen Polytechnic in China. His term as director expires in 2014.

Compensation

For the year ended December 31, 2013, we and our subsidiaries provided our eleven directors and executive officers as a group aggregate remuneration, pension contributions, allowances and other benefits of approximately \$3,558,660 (2012: \$2,912,170; 2011: \$3,835,639) including the non-cash compensation of \$998,371 (2012: \$717,544; 2011: \$1,464,528) associated with the ECPs.

In 2013, we and our subsidiaries incurred \$363,506 (2012: \$43,404; 2011: \$59,025) in costs to provide pension, retirement or similar benefits to our respective officers and directors pursuant to our retirement plan and pension plan.

Employment Agreements

We have employment agreements with Mr. Merle A. Hinrich under which he serves as our executive chairman. The agreements contain covenants restricting Mr. Hinrich’s ability to compete with us during his term of employment and preventing him from disclosing any confidential information during the term of his employment agreement and for a further period of three years after the termination of his employment agreement. In addition, we retain the rights to all trademarks and copyrights acquired and any inventions or discoveries made or discovered by Mr. Hinrich in the course of his employment. Upon a change of control, if Mr. Hinrich is placed in a position of lesser stature than that of a senior executive officer, a significant change in the nature or scope of his duties is effected, Mr. Hinrich ceases to be a member of the board, or if there is a breach of those sections of his employment agreements relating to compensation, reimbursement, title and duties or termination, we are liable to pay Mr. Hinrich a lump sum cash payment equal to five times the sum of his base salary prior to the change of control and the bonus paid to him in the year preceding the change of control. The agreements may be terminated by either party by giving six months’ notice.

We have employment agreements with each of our other executive officers. Each employment agreement contains a non-competition provision preventing the employee from undertaking or becoming involved in any business activity or venture during the term of employment without notice to us and our approval. The employee must keep all of our proprietary and private information confidential during the term of employment and for a period of three years after the termination of the agreement. We can assign the employee to work for another company if the employee’s duties remain similar. In addition, we retain the rights to all trademarks and copyrights acquired and any inventions or discoveries made or discovered by the employee during the employee’s term of employment. Each employment agreement contains a three or six-months’ notice provision for termination, and does not have a set term of employment. Bonus provisions are determined on an individual basis.

Board Practices

Our Board of Directors consists of seven members, the terms of which expire on the basis of one-third of the board retiring by rotation at each annual general meeting of shareholders. Each director holds office until his or her term expires as aforesaid, and he or she is then subject to re-election as a director at the respective annual general meeting for a further term which will subsequently expire on the same basis. Executive officers serve at the discretion of the Board of Directors. Our executive officers have, on average, 22 years of service with us. Six non-executive directors receive a cash fee of \$15,000 per year, plus an additional \$4,000 for each board meeting attended. Non-executive directors who are members of the audit committee also receive a cash fee of \$5,000 per year.

Committees of the Board of Directors

We have established an audit committee and an executive committee of our Board of Directors. The audit committee recommends the appointment of auditors, oversees accounting and audit functions and other key financial matters of our company. The audit committee meets at least four times a year. David Jones, Roderick Chalmers, James Watkins and Eddie Heng are the members of the audit committee and the Board of Directors determined that Mr. Chalmers is an audit committee financial expert as defined under appropriate SEC guidelines. The executive committee acts for the entire Board of Directors between board meetings in respect of certain matters. Merle Hinrich, Eddie Heng and Sarah Benecke are the members of the executive committee.

We have a separately - designated standing compensation committee, consisting of independent directors. The members of the compensation committee are Roderick Chalmers, David Jones, James Watkins, Peter Yam, Eddie Heng and Sarah Benecke. The primary function of the compensation committee is to approve compensation packages for each of the Company's executive officers. The compensation committee held 2 meetings in the fiscal year ended December 31, 2013.

We have an executive sessions committee, consisting of the independent directors. The members of the executive sessions committee are Roderick Chalmers, David Jones, James Watkins, Peter Yam, Eddie Heng and Sarah Benecke. The executive sessions committee meets to discuss matters under the purview of the independent directors. The executive sessions committee held at least 4 meetings in the fiscal year ended December 31, 2013.

Our compensation committee and audit committee charters are available on our website at www.corporate.globalsources.com.

Code of Ethics

We have adopted a Code of Ethics ("Code of Ethics") that applies to our directors, officers (including our chief executive officer, chief financial officer, chief accounting officer or controller and persons performing similar functions) and employees. Any amendments or waivers to our Code of Ethics that apply to the chief executive officer or senior financial officers will be promptly disclosed on our website as required by law or by the Securities and Exchange Commission or by Nasdaq.

Employees

As of December 31, 2013, we had 471 employees worldwide, the majority of whom work in management, technical or administrative positions. We consider our employee relationships to be satisfactory. Our employees are not represented by labor unions and we are not aware of any attempts to organize our employees.

The following summarizes the approximate number of employees and independent contractors by function:

Function	Employees	Independent Contractors	Total
Content Development	2	195	197
Corporate Human Resources & Administration	50	54	104
Corporate Marketing	7	18	25
Community Development	74	19	93
Sales	108	1,961	2,069
Information System Department (includes CIO office)	78	91	169
Corporate Accounts	69	60	129
Office of the CEO, COO	14	0	14
Legal and Group Secretarial	6	1	7
Conference & Trade Show Services + China Edu	63	71	134
Total	471	2,470	2,941

Share Ownership

Information on the ownership of our Common Shares is given under Item 7, Major Shareholders and Related Party Transactions.

Equity Compensation Plans

On December 30, 1999, we established The Global Sources Employee Equity Compensation Trust (the “Trust”) for the purpose of administering monies and other assets contributed to the Trust for the establishment of equity compensation and other benefit plans, including The Global Sources Employee Equity Compensation Plan (“ECP”) Numbers IV through VII described below. The Trust is administered by Appleby Services (Bermuda) Ltd. (previously known as “Harrington Trust Limited” and then as “Appleby Trust (Bermuda) Ltd.”) (the “Trustee”). The number of shares that may be sold pursuant to these plans is limited to the number of our shares held by the Trust. Following our takeover of Trade Media on April 14, 2000, the Trade Media shares were exchanged for our common shares. These Trade Media shares currently represent our common shares. As of February 28, 2014, the Trustee holds 807,842 of our common shares, consisting of common shares held in the Trust, as well as already vested common shares under the plans which are held in trust by the Trustee for various grantees who have elected to utilize the trust services of the Trustee for such purpose. The Trustee has informed us that it does not intend to acquire any additional shares. In exercising its powers, including the voting of securities held in the Trust, the Trustee may be directed by the plan committee (“ECP Plan Committee”), whose members are selected by the board of directors of one of our wholly-owned subsidiaries.

Pursuant to a Declaration of Trust dated November 28, 2006 by the Trustee, “The Global Sources Equity Compensation Trust 2007” (“2007 Trust”) was established. The 2007 Trust is administered by Appleby Services (Bermuda) Ltd. (the “2007 Trustee”) as trustee. The purpose of the 2007 Trust is to administer shares contributed by us to the 2007 Trust from time to time in connection with providing equity compensation benefits under The Global Sources Equity Compensation (2007) Master Plan described below (“ECP 2007 Master Plan”). As of February 28, 2014, the 2007 Trustee does not hold any unvested common shares contributed by us in the 2007 Trust, but the 2007 Trustee holds 84,733 already vested common shares under the ECP 2007 Master Plan which are held in trust by the 2007 Trustee for various grantees who have elected to utilize the trust services of the 2007 Trustee for such purpose. In exercising its powers under the 2007 Trust, the 2007 Trustee may be directed by the plan committee to be constituted and appointed by our Board of Directors. The plan committee (“ECP 2007 Plan Committee”) was constituted and appointed by the Board of Directors on February 15, 2007.

Global Sources Equity Compensation Plans Numbers IV and V

Eligible employees, directors, consultants, advisors and independent contractors under ECP IV are awarded a defined amount of compensation payable in Global Sources Ltd. common shares, the number of which are determined by the ECP Plan Committee periodically.

Entitlement of the employees, directors, consultants, advisors and independent contractors to these common shares is subject to employment and vesting terms.

Eligible employees, directors, consultants, advisors and independent contractors under ECP V were awarded a one-time grant of shares, the number of which were determined by the ECP Plan Committee.

Entitlement of the employees, directors, consultants, advisors and independent contractors to these common shares is subject to employment or continued services and vesting terms.

The ECP Plan Committee first approved the awards of common shares under ECP IV in January 2001 and approved additional awards of common shares under ECP IV on various dates during the year 2001. The ECP Plan Committee first approved the awards of common shares under ECP V in January 2001 and approved additional awards of common shares under ECP V on various subsequent dates.

Global Sources Equity Compensation Plan VI

Eligible employees, directors, consultants, advisors and independent contractors under ECP VI are awarded, after their resignation or retirement from their respective services, a one-time grant of our common shares, the number of which are determined by the ECP Plan Committee.

Entitlement of the employees, directors, consultants, advisors and independent contractors to these common shares, is subject to non-competition and vesting terms. There is no forfeiture provision other than pursuant to the non-competition terms.

The ECP Plan Committee approved ECP VI on March 13, 2001 and first approved the awards of common shares under ECP VI in May 2001. The ECP Plan Committee approved additional awards of common shares under ECP VI on various subsequent dates.

Global Sources Equity Compensation Plan VII

Eligible employees, directors, consultants, advisors and independent contractors under ECP VII are awarded a grant of a defined number of our common shares, the number of which are determined by the ECP Plan Committee periodically.

Entitlement of the employees, directors, consultants, advisors and independent contractors to these common shares is subject to employment and vesting terms.

The ECP Plan Committee first approved the awards of common shares under ECP VII in January 2002 and approved additional awards of common shares under ECP VII on various subsequent dates.

The Global Sources Equity Compensation (2007) Master Plan

The ECP 2007 Master Plan was approved by our shareholders on May 8, 2006. The ECP 2007 Master Plan became effective on January 1, 2007 and, unless terminated earlier by our Board of Directors, was due to expire on December 31, 2012 (but its expiration date has since been extended to December 31, 2017 (as described below)). Our employees, directors and consultants and the employees, directors and consultants of our subsidiaries and of our and our subsidiaries' independent contractors ("Team Members"), are eligible to be awarded grants of our common shares under the ECP 2007 Master Plan. The grantees and the number of shares to be awarded, and the vesting rules and other terms and conditions, are determined by the ECP 2007 Plan Committee, which is authorized under the ECP 2007 Master Plan to issue supplementary or subsidiary documents to set out and evidence such vesting rules and other terms and conditions. The total number of shares to be issued under the ECP 2007 Master Plan is subject to a limit of 3,000,000 common shares.

On November 7, 2006, we filed a Form S-8 Registration Statement under the Securities Act of 1933, with the U.S. Securities and Exchange Commission (the “SEC”), for up to 3,000,000 common shares to be issued under the ECP 2007 Master Plan.

An amended version of the ECP 2007 Master Plan, known as “The Global Sources Equity Compensation (2007) Master Plan (amended effective as of January 1, 2012)” (“ECP 2007 Master Plan (Amended)”), was approved by our Board of Directors with effect from January 1, 2012, in order to expressly clarify that, as an alternative to our common shares being first issued to the 2007 Trustee upon an award being made under the plan (for the 2007 Trustee to hold in trust pending vesting) and then subsequently transferred by the 2007 Trustee to the respective grantee upon vesting, our common shares may instead be issued directly to the respective grantee at the time of vesting.

On June 20, 2012, our shareholders approved the extension of the expiration date of the ECP 2007 Master Plan (Amended) from December 31, 2012 to December 31, 2017.

On March 6, 2007, the ECP 2007 Plan Committee approved and issued “The Global Sources Share Grant Award Plan” as a supplementary or subsidiary document to the ECP 2007 Master Plan. Under the plan, the ECP 2007 Plan Committee determines which eligible Team Members will be granted awards of shares and the number of shares to be awarded to them, and the vesting schedule for such awards. The plan became effective on March 6, 2007, and will terminate upon the expiration or termination of the ECP 2007 Master Plan, or upon the liquidation of the Company, or upon termination by the ECP 2007 Plan Committee, whichever is the earliest to occur. The ECP 2007 Plan Committee approved awards of common shares under the plan on various dates.

On March 6, 2007, the ECP 2007 Plan Committee approved and issued “The Global Sources Retention Share Grant Plan” as a supplementary or subsidiary document to the ECP 2007 Master Plan. Persons eligible to receive grants under the plan are persons who have been Team Members for at least five years, who retire “in good standing” (as determined by the ECP 2007 Plan Committee), and who would otherwise have their unvested shares (under any applicable equity compensation plans) forfeited upon retirement. The ECP 2007 Plan Committee determines which eligible persons will be granted awards of common shares. The number of common shares to be awarded to such grantees are calculated according to a formula defined in the plan, and vest in equal installments over a period of five years after retirement, subject to certain non-competition terms and a condition that the grantees remain “in good standing”. There is no forfeiture provision other than pursuant to the non-competition terms and being “in good standing”, not doing anything prejudicial to the Company or other reasons as determined by the ECP 2007 Plan Committee. The plan commenced with effect on March 6, 2007, and will terminate upon the expiration or termination of the ECP 2007 Master Plan, or upon the liquidation of the Company, or upon termination by the ECP 2007 Plan Committee, whichever is the earliest to occur. The ECP 2007 Plan Committee approved awards of common shares under the plan on various dates.

On April 24, 2009, the ECP 2007 Plan Committee approved and issued “The Global Sources Directors Share Grant Award Plan” as a supplementary or subsidiary document to the ECP 2007 Master Plan. Persons eligible to receive grants under the plan are directors of the Company. Under the plan, the ECP 2007 Plan Committee determines which directors of the Company will be granted awards of shares and the number of shares to be awarded to them. Any shares awarded do not vest immediately, but only after four years after the effective date, as specified by the ECP 2007 Plan Committee (or in accordance with such other vesting schedule as may be determined by the ECP 2007 Plan Committee). The plan became effective on April 24, 2009, and will terminate upon the expiration or termination of the ECP 2007 Master Plan, or upon the liquidation of the Company, or upon termination by the ECP 2007 Plan Committee, whichever is the earliest to occur. The ECP 2007 Plan Committee first approved an award under the plan in June 2009, and approved additional awards under the plan on various subsequent dates.

The ECP 2007 Plan Committee approved and issued “The Global Sources Retention Share Grant Plan II”, effective as of January 1, 2012, as a supplementary or subsidiary document to the ECP 2007 Master Plan (Amended). The plan’s provisions are similar to those of The Global Sources Retention Share Grant Plan, except that it expressly clarifies that, as an alternative to our common shares being first issued to the 2007 Trustee upon an award being made under the plan (for the 2007 Trustee to hold in trust pending vesting) and then subsequently transferred by the 2007 Trustee to the respective grantee upon vesting, our common shares may instead be issued directly to the respective grantee at the time of vesting. An amended version of the plan, known as “The Global Sources Retention Share Grant Plan II (amended effective as of May 1, 2012)”, was approved by the ECP 2007 Plan Committee, with effect from May 1, 2012, in order to clarify that each person eligible to receive an award under the plan must be so eligible as of the effective time of his/her retirement, and all awards to a grantee under the plan shall be or shall be deemed to be effective immediately prior to the effective time of the grantee’s retirement. The ECP 2007 Plan Committee first approved awards of common shares under the plan in April 2012, and approved additional awards under the plan on various subsequent dates.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The following table sets forth information about those persons who hold more than 5% of our total outstanding common shares and the share ownership of our directors and officers as of February 28, 2014. The information is based upon our knowledge of the share ownership of such persons on February 28, 2014.

Name of Beneficial Owner	Common Shares Beneficially Owned	
	Shares	Percentage **
Merle Allan Hinrich	16,296,309***	46.93%***
Spenser Au	*	*
Connie Lai	*	*
Brent Barnes	*	*
Peter Zapf	*	*
Sarah Benecke	*	*
Eddie Heng Teng Hua	*	*
David F Jones	*	*
Roderick E Chalmers	*	*
James A Watkins	*	*
Yam Kam Hon Peter	*	*
All officers and directors as a group (11 persons)	16,882,564	48.62%
GAMCO Investors, Inc. et al One Corporate Center Rye, New York 10580-1435	1,736,475****	5.00%****

* Indicates beneficial ownership of less than 1%.

** Based upon 34,722,691 common shares issued and outstanding as of February 28, 2014. The percentage figures are calculated based on our total issued and outstanding common shares (and do not take into account that portion of our total issued common shares which are held as treasury shares).

*** As of February 28, 2014, Mr. Merle Allan Hinrich has the sole power to vote and dispose of 14,773,547 common shares beneficially owned by him (representing approximately 42.55% of our total outstanding common shares), may be deemed to have shared power with his wife Miriam Hinrich to vote or direct to vote and dispose of 339,806 common shares owned by her (representing approximately 0.98% of our total outstanding common shares) and may be deemed to have shared power with Hinrich Investments Limited to vote or direct to vote and dispose of 1,182,956 common shares owned by Hinrich Investments Limited (representing approximately 3.40% of our total outstanding common shares). Hinrich Investments Limited is owned by a nominee company in trust for the Hinrich Foundation, of which Mr. Hinrich serves as the chairman of the council of members (the decision-making body), and of which he was the founder and the initial settlor.

Mr. Hinrich, who is our Executive Chairman, may therefore be deemed to beneficially own up to approximately 46.93% of our total outstanding common shares as of February 28, 2014 (as described above), and he is deemed our controlling shareholder.

**** Based on Schedule 13D filed on October 31, 2013 by a group including GAMCO Investors, Inc., which includes Mario J. Gabelli and various entities which he directly or indirectly controls or for which he acts as chief investment officer.

As of February 28, 2014, we believe that approximately 13,554,731 of our shares or approximately 39.04% of our total outstanding common shares were beneficially owned by U.S. holders and there were 594 shareholders of record in the U.S. (excluding any U.S. holders who may be holding our shares through brokerage firms).

Our major shareholders do not have different voting rights. We do not know of any arrangement which may at a subsequent date result in a change in control of our company.

Related Party Transactions

There were no material related party transactions from January 1, 2013 to February 28, 2014.

ITEM 8. FINANCIAL INFORMATION

GLOBAL SOURCES LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders

In our opinion, the accompanying consolidated balance sheets and the related consolidated income statements and statements of comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of Global Sources Ltd. (the 'Company') and its subsidiaries at December 31, 2013, and December 31, 2012 and the results of their operations and their cash flows for each of the three years ended December 31, 2013 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2013, based on criteria established in *Internal Control - Integrated Framework 1992* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting.

Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Singapore
April 2, 2014

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS

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

	Year ended December 31,		
	2013	2012	2011
Revenue			
Online and other media services	\$ 104,629	\$ 136,101	\$ 141,475
Exhibitions	85,636	88,782	77,973
Miscellaneous	7,257	6,857	5,617
	197,522	231,740	225,065
Operating Expenses:			
Sales	61,958	80,354	81,363
Event production	24,403	26,250	24,637
Community and content	27,481	32,696	34,078
General and administrative	50,272	44,281	40,660
Information and technology	12,729	13,188	12,607
Total Operating Expenses	176,843	196,769	193,345
Profit on sale of property	15,410	-	-
Profit from Operations	36,089	34,971	31,720
Interest income	1,472	1,044	360
Share of loss of associate	-	(24)	-
Gain on sale of available-for-sale securities	64	-	-
Impairment loss on investment in associate	-	(302)	-
Profit before income taxes	37,625	35,689	32,080
Income tax expense	(4,753)	(2,744)	(1,613)
Net profit	32,872	32,945	30,467
Net profit attributable to non-controlling interests	(137)	(739)	(991)
Net profit attributable to the Company's shareholders	\$ 32,735	\$ 32,206	\$ 29,476
Basic net profit per share attributable to the Company's shareholders	\$ 0.95	\$ 0.95	\$ 0.87
Shares used in basic net profit per share calculations	34,426,468	34,017,730	33,742,648
Diluted net profit per share attributable to the Company's shareholders	\$ 0.91	\$ 0.90	\$ 0.83
Shares used in diluted net profit per share calculations	36,068,326	35,742,495	35,385,218

The notes on pages 69 to 104 are an integral part of these consolidated financial statements.

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Year ended December 31,		
	2013	2012	2011
Net profit	\$ 32,872	\$ 32,945	\$ 30,467
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	3,170	1,623	3,212
Financial assets, available-for-sale:			
Fair value gains	61	52	-
Reclassification to income statements on disposal	(64)	-	-
Other comprehensive income for the year, net of tax of \$nil	3,167	1,675	3,212
Total comprehensive income for the year	36,039	34,620	33,679
Total comprehensive income attributable to the Company's shareholders	35,806	33,812	32,573
Total comprehensive income attributable to non-controlling interests	233	808	1,106
Total comprehensive income for the year	\$ 36,039	\$ 34,620	\$ 33,679

The notes on pages 69 to 104 are an integral part of these consolidated financial statements.

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

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

	As at December 31,	
	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 137,359	\$ 104,631
Term deposits with banks	106	4,184
Financial assets, available-for-sale	6,367	7,472
Accounts receivables, net	3,122	4,242
Receivables from sales representatives	10,630	7,773
Inventories	266	410
Prepaid expenses and other current assets	18,544	18,396
	176,394	147,108
Non-current assets		
Property and equipment	49,701	30,442
Investment properties	89,615	97,377
Intangible assets	21,423	33,136
Long term investment	100	100
Deferred income tax assets	98	244
Other non-current assets	1,766	2,762
	162,703	164,061
Total assets	\$ 339,097	\$ 311,169
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 8,779	\$ 12,531
Deferred income and customer prepayments	84,704	84,540
Accrued liabilities	19,166	20,409
Income tax liabilities	2,635	1,225
	115,284	118,705
Non-current liabilities		
Deferred income and customer prepayments	5,660	9,062
Deferred income tax liabilities	4,591	6,090
	10,251	15,152
Total liabilities	125,535	133,857
Commitments and contingencies (note 25 and 26)		
Equity attributable to Company's shareholders		
Common shares	525	521
Treasury shares	(150,089)	(150,089)
Other reserves	161,950	156,629
Retained earnings	191,594	158,859
Total Company shareholders' equity	203,980	165,920
Non-controlling interests	9,582	11,392
Total equity	\$ 213,562	\$ 177,312
Total liabilities and equity	\$ 339,097	\$ 311,169

The notes on pages 69 to 104 are an integral part of these consolidated financial statements.

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to the Company's shareholders					Non-controlling interests	Total equity
	Common shares	Treasury shares	Other reserves	Retained earnings	Total		
Balance at January 1, 2011	\$ 516	\$ (150,089)	\$ 146,691	\$ 97,177	\$ 94,295	\$ 8,165	\$ 102,460
Total comprehensive income for the year	-	-	3,097	29,476	32,573	1,106	33,679
Transaction with owners:							
Dividend issued by a subsidiary to non-controlling interest	-	-	-	-	-	(390)	(390)
Fair value of non-cash compensation expense	-	-	2,777	-	2,777	-	2,777
Capitalization of intangible assets relating to share grants for non-compete agreements	-	-	28	-	28	-	28
Issue of new shares	2	-	(2)	-	-	-	-
Balance at December 31, 2011	\$ 518	\$ (150,089)	\$ 152,591	\$ 126,653	\$ 129,673	\$ 8,881	\$ 138,554
Total comprehensive income for the year	-	-	1,606	32,206	33,812	808	34,620
Transaction with owners:							
Fair value of non-controlling interest in business acquisition	-	-	-	-	-	3,006	3,006
Dividend issued by a subsidiary to non-controlling interest	-	-	-	-	-	(1,303)	(1,303)
Fair value of non-cash compensation expense	-	-	2,409	-	2,409	-	2,409
Capitalization of intangible assets relating to share grants for non-compete agreements	-	-	26	-	26	-	26
Issue of new shares	3	-	(3)	-	-	-	-
Balance at December 31, 2012	\$ 521	\$ (150,089)	\$ 156,629	\$ 158,859	\$ 165,920	\$ 11,392	\$ 177,312

Total comprehensive

income for the year	-	-	3,071	32,735	35,806	233	36,039
Transaction with owners:							
Dividend issued by subsidiaries to non-controlling interests	-	-	-	-	-	(2,043)	(2,043)
Fair value of non-cash compensation expense	-	-	2,170	-	2,170	-	2,170
Capitalization of intangible assets relating to share grants for non-compete agreements	-	-	84	-	84	-	84
Issue of new shares	4	-	(4)	-	-	-	-
Balance at December 31, 2013	<u>\$ 525</u>	<u>\$ (150,089)</u>	<u>\$ 161,950</u>	<u>\$ 191,594</u>	<u>\$ 203,980</u>	<u>\$ 9,582</u>	<u>\$ 213,562</u>

The notes on pages 69 to 104 are an integral part of these consolidated financial statements.

GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Year ended December 31,		
	2013	2012	2011
Cash flows from operating activities			
Net Profit	\$ 32,872	\$ 32,945	\$ 30,467
Adjustments for:			
Income tax expense	4,753	2,744	1,613
Depreciation and amortization	9,029	9,112	6,785
(Profit)/loss on sale of property and equipment and investment property	(15,410)	(6)	12
Gain on sale of available-for-sale securities	(64)	-	-
Interest income	(1,472)	(1,044)	(360)
Provision for impairment of receivables	30	229	25
Non-cash compensation expense	2,170	2,409	2,777
Equipment written off	65	48	5
Share of loss of associate	-	24	-
Impairment loss on investment in associate	-	302	-
Impairment of intangible assets	8,525	1,389	670
Net foreign exchange differences	(15)	(12)	87
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
Accounts receivable	1,106	264	(325)
Receivables from sales representatives	(2,880)	(1,251)	1,716
Inventories	144	(180)	205
Prepaid expenses and other current assets	(171)	2,528	(379)
Other non-current assets	990	(204)	21
Accounts payable	594	464	(2,008)
Accrued liabilities	(1,202)	2,337	2,984
Deferred income and customer prepayments	(3,299)	(18,142)	12,592
Cash generated from operations	35,765	33,956	56,887
Income tax paid	(4,710)	(2,679)	(1,656)
Net cash generated from operating activities	31,055	31,277	55,231
Cash flows from investing activities:			
Acquisition of subsidiary, net of cash acquired	(4,387)	(11,359)	(3,423)
Investment in associate	-	(326)	-
Purchase of property and equipment and investment property	(27,047)	(1,371)	(56,667)
Proceeds from sale of property and equipment and investment property, net of transaction costs	27,907	6	12
Placement of term deposits with banks	(1,762)	(5,012)	(3,526)
Proceeds from matured term deposits with banks	5,840	3,632	2,198
Purchase of available-for-sale financial assets	(63)	(12,611)	(18,247)
Proceeds from sale of available-for-sale securities	1,294	18,441	4,999
Interest received	1,472	1,004	334
Net cash generated (used in) from investing activities	3,254	(7,596)	(74,320)
Cash flows from financing activities:			
Dividend paid to non-controlling interests	(2,043)	(1,303)	(390)
Net cash used in financing activities	(2,043)	(1,303)	(390)
Net increase (decrease) in cash and cash equivalents	32,266	22,378	(19,479)
Cash and cash equivalents, beginning of the year	104,631	81,903	101,298
Effect of exchange rate changes on cash and cash equivalents	462	350	84
Cash and cash equivalents, end of the year	\$ 137,359	\$ 104,631	\$ 81,903

The notes on pages 69 to 104 are an integral part of these consolidated financial statements.

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1. General information

Global Sources Ltd. (the 'Company') and its subsidiaries' (together 'Group') principal business is to provide services that allow global buyers to identify suppliers and products, and enable suppliers to market their products to a large number of buyers. The Group's primary online service is creating and hosting marketing websites that present suppliers' product and company information in a consistent, easily searchable manner on Global Sources Online. Complementing this service are various trade magazines. The Group launched China Sourcing Fairs exhibitions in 2003. These exhibitions offer international buyers direct access to China and other Asian manufacturers. The Group's businesses are conducted primarily through Trade Media Limited, its wholly owned subsidiary, which was incorporated in October 1984 under the laws of Cayman Islands. Through certain other wholly owned subsidiaries, the Group also organizes China Sourcing Fairs exhibitions, conferences and exhibitions on technology related issues, licenses Asian Sources/Global Sources Online and offers catalog services.

The Company was incorporated in Bermuda. The Company's registered office address is Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda.

These financial statements were authorized for issue by the executive committee of the Board of Directors on April 2, 2014.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Global Sources Ltd. have been prepared in accordance with International Financial Reporting Standards ('IFRS') and International Financial Reporting Interpretations Committee ('IFRIC') interpretations as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4. Actual results could differ from those estimates and such differences could affect the results of operations reported in future periods.

New and amended standards adopted by the Group:

The following standards have been adopted by the Group for the first time from the financial year beginning on January 1, 2013:

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The adoption of this standard did not have a significant impact on the Group's financial statements.
- IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of this standard did not have a significant impact on the Group's financial statements.

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- IFRS 11 replaces the guidance on 'Joint ventures' in IAS 31 - Interests in Joint Ventures and SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers. The new standard introduces a principles-based approach to accounting for joint arrangements that requires a party to a joint arrangement to recognize its rights and obligations arising from the arrangement. The new standard requires that joint ventures be accounted for under the equity method thus eliminating the option to proportionally consolidate such ventures. There was no impact on the Group's financial statements upon adoption.
- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The adoption of this standard did not result in a significant impact on the Group's financial statements as it affects only the disclosures. None of the subsidiaries in the Group has non-controlling interests that are material to the Group as at and for the year ended December 31, 2013.
- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The adoption of this standard did not have a significant impact on the Group's financial statements.

2.2 Consolidation

The consolidated financial statements comprise the financial statements of the Company and its majority owned or otherwise controlled subsidiaries.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated income statement.

Investments in subsidiaries are accounted for at cost less impairment by the Company. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in the consolidated income statement.

(c) Associate

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. The Group's share of post-acquisition profit or loss is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of loss of associate', on the face of the consolidated income statement.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision-maker, which is the Company's Board of Directors. The chief operating decision maker assesses the Group's performance and makes decisions about resources to be allocated to each segment.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's functional currency is United States dollar ('\$' or 'USD'). The consolidated financial statements are presented in USD, which is the Group's presentation currency.

(b) Transactions and balances

Transactions in currencies other than the functional currency are measured and recorded in the functional currency using the exchange rate in effect on the date of the transaction. As at the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the functional currency are translated using the exchange rate at the balance sheet date. All gains and losses arising from foreign currency transactions and translation of foreign currency denominated accounts are recognized in the consolidated income statement.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Group companies

The financial statements of the subsidiaries reported in their respective local currencies are translated into USD for consolidation as follows:

- (i) assets and liabilities at the closing exchange rate as at the balance sheet date,
- (ii) shareholders' equity at the historical rates of exchange,

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- (iii) income and expense amounts at the average monthly exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions),
- (iv) all resulting translation differences are recorded in other comprehensive income and accumulated in 'currency translation reserve' within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after January 1, 2009 (the Group's date of transition to IFRS) are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (note 2.8). Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated income statement during the year in which they are incurred.

Depreciation on property and equipment is calculated on a straight-line basis over their estimated useful lives as follows:

Buildings	Over the remaining lease period or 50 years, whichever is shorter
Leasehold improvements	5 years
Computer equipment and software	3 years
Fixtures, fittings and office equipment	5 years
Reusable trade show booths	2 years
Motor vehicles	5 years

No depreciation was recognized for capital work-in-progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated income statement.

2.6 Investment properties

Investment properties include those portions of buildings that are held either to earn rental income or capital appreciation or both in the short to medium term. The portions of building and its associated land use rights are, together, classified as investment property if the components are not separable. Investment properties are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is calculated using a straight line method to allocate the depreciable amounts over the estimated lives of 50 years or over the remaining lease period whichever is shorter. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated income statement.

Transfers to, or from, investment properties are made when there is a change in the Company's intention with respect to the use of the property.

2.7 Intangible assets

(a) Goodwill

Goodwill on acquisition of subsidiaries on or after January 1, 2009 (the Group's date of transition to IFRS) represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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Goodwill is allocated to cash-generating units (CGU) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Trademarks

Trademarks acquired in a business combination are recognized at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over their estimated useful lives of 6 to 14 years. The useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The Group has reviewed the useful life of intangible asset and the change in useful life is disclosed under note 13.

(c) Contractual backlog and others

Contractual backlog and others acquired in a business combination mainly relates to customer relationships which are recognized at fair value at the acquisition date. The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship of 5 to 12 months.

(d) Databases

The databases acquired are measured on initial recognition at cost being the fair value as at the date of acquisition. Following initial recognition, databases are carried at cost less any accumulated amortization and any accumulated impairment losses. Databases are amortized over a period of one year beginning on the date of acquisition. The amortization expense on databases is recognized in the consolidated income statement.

(e) Non-compete agreements

Intangible assets relating to non-compete agreements with the Group's former employees and consultants and to the former employees of third party service providers are recorded at fair values at the date the respective agreements are entered into and are carried at cost less accumulated amortization. Amortization is calculated using a straight-line basis over the non-compete period of 5 years. The fair values are estimated based on the cash flow valuation model whereby valuation inputs include an estimate of future cash flows expected to be generated by the asset (note 2.15 (b)).

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill, are not subject to amortization and are tested at least annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise 'accounts receivables', 'receivables from sales representatives', 'term deposits with banks', 'cash and cash equivalents' and assets other than 'prepaid expenses', 'deferred expenses' and 'club memberships' included in the 'prepaid expenses and other current assets' and 'other non-current assets' in the balance sheet.

(b) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.9.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables (note 2.9.3).

Changes in the fair value of available-for-sale securities are recognized in other comprehensive income and accumulated in 'fair value reserve' within equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated income statement.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the consolidated income statement.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are measured at cost less provision for impairment in value.

2.9.3 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or

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- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio.

For loans and receivables, the Group estimates the collectability of the trade receivables based on the analysis of trade receivables, historical bad debts, customer credit-worthiness and current economic trends and maintains adequate impairment allowance. The amount of allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated income statement, the impairment loss is reversed through the consolidated income statement.

2.9.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Cost includes the purchase cost and the delivery costs incurred in bringing the inventory to the warehouse. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less with insignificant risk of change in value.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the asset and liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Employee benefits

(a) Retirement contribution plans

Group companies operate a number of retirement contribution plans. The Group pays contributions to privately administered retirement contribution plans or government authorities on a mandatory, contractual or voluntary basis based on a percentage of each eligible employee's salary. Employees working in a jurisdiction where there is no statutory provision for retirement contributions are covered by the Company's plans. Once the contributions have been paid, the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due.

2.15 Non-cash compensation expenses

(a) Share grants to employees and team members

The Group operates a number of equity-settled compensation plans, under which the Group receives services from employees, and consultants and employees of third party service providers (collectively known as 'team members') as consideration for equity instruments of the Group. The Group's employee and team member equity compensation plans are share grants without any exercise price or exercise period. Therefore, the fair value of the share grants at the date of grant approximates the intrinsic value. The fair value of the employee or team member services received in exchange for the grant of the shares is recognized as an expense in the income statement with a corresponding increase in 'capital reserve' within equity.

Non-market vesting conditions are included in assumptions about the number of share grants that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

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The Group made share awards to its directors under The Global Sources Directors Share Grant Award Plan. These awards are share grants without any exercise price or exercise period. Therefore, the fair value of the share grants at the date of grant approximates the intrinsic value. The Group recognizes the compensation costs associated with share awards with cliff vesting to directors on a straight-line basis over the vesting period.

(b) Share grants for non-compete agreements

The Group issues share grants to former employees, and former consultants and the former employees of third party service providers when they resign or retire from their respective employment or consultancy service. Under these plans, the share grants vest over a five-year period with a percentage of shares vesting each year. The grantee is subject to the non-compete terms stipulated in the plan. There is no other vesting condition other than the non-compete terms.

Where the Group has the ability to enforce the non-compete agreement and the grantees are entitled to the shares, an intangible asset is recognized in relation to the non-compete provisions of these awards at the fair value of the respective award. The intangible asset is amortized over the non-compete period on a straight-line basis (note 2.7 (e)).

2.16 Revenue recognition

The Group derives its revenue from advertising fees in its published trade magazines and websites, sales of trade magazines and reports, fees from licensing its trade and service marks, and organizing exhibitions and business seminars.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown excluding value added taxes, net of discounts and after eliminating sales within the Group. The Group presents the sales taxes imposed on revenue generating transactions on a gross basis in 'sales costs'.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

Revenue from advertising in trade magazines and websites, net of discounts, are recognized ratably over the period in which the advertisement is displayed. Revenue from sales of trade magazines and reports is recognized upon delivery of the magazine/report. Magazine subscriptions received in advance are deferred and recognized as revenue upon delivery of the magazine. Revenue from organizing exhibitions and business seminars is recognized at the conclusion of the event and the related direct event production costs are deferred and recognized as expenses upon conclusion of the event. When multiple deliverables are contracted under a single arrangement, the Group allocates the total consideration to each unit of accounting based on its relative percentage of the total fair value of all units of accounting included in the arrangement. Where the Group is unable to determine the fair value of each of the unit in an arrangement, total consideration is allocated by estimating the stand-alone selling price for one performance obligation if a directly observable price exists.

Barter transactions are recorded at the fair value of the merchandise or services received. Where the fair value of the merchandise or services received cannot be measured reliably, the revenue is measured at the fair value of the services rendered.

Rental income arising from operating leases on investment properties is recognized on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognized as a reduction of rental income over the lease term on a straight-line basis.

Interest income is recognized using the effective interest method.

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2.17 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Group leases certain office facilities and exhibition venues under cancelable and non-cancellable operating leases, generally with an option to renew upon expiry of the lease term. Rentals under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the life of the leases.

2.18 Advertising Expenses

Advertising and promotion expenses are expensed as incurred.

2.19 Transactions with Sales Representatives

The Group utilizes sales representatives in various territories to promote the Group's products and services. Under these arrangements, these sales representatives are entitled to commissions as well as marketing fees. Commission expenses are expensed as incurred. For online and other media services, the commission expense is incurred when the associated revenue is recognized or when the associated accounts receivable are paid, whichever is earlier. For exhibitions, the commission expense is incurred when the associated revenue is recognized, upon conclusion of the event.

These third party sales representatives, which are mainly corporate entities, handle collections from clients on behalf of the Group. Included in receivables from these sales representatives are amounts collected on behalf of the Group.

2.20 Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by a group of senior management personnel. This particular group identifies, evaluates and takes appropriate measures to alleviate financial risks in close co-operation with the Group's operating units. The Board of Directors provide direction for overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the Chinese Renminbi ('RMB'). Foreign currency risk arises from commercial transactions, recognized assets and liabilities and net investments in foreign operations. A majority of the Group's contracts with customers that are denominated in foreign currencies are in RMB. The conversion of these contract proceeds to USD could result in losses and reflects the foreign exchange risk assumed by the Group between contract signing and the conversion of cash into USD.

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The Group has not engaged in foreign currency hedging activities. Historically a majority (ranging between 98% to 99%) of the revenue is denominated in USD or is received in Hong Kong Dollar ('HKD'), RMB or New Taiwan Dollar ('TWD'). HKD is currently pegged to the USD while RMB has been relatively stable historically but has strengthened during the past few years against the USD. TWD is also relatively stable against USD.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through identification of the specific risks and taking appropriate measures to alleviate the risk.

At December 31, 2013, if the RMB had weakened/strengthened by 3% (2012: 1%) against the USD with all other variables held constant, profit before tax for the year would have been \$2,909 (2012: \$989) lower/higher as a result of foreign currency losses/gains on translation of RMB denominated monetary assets and liabilities.

(ii) Cash flow and fair value interest rate risk

The Group has no interest-bearing borrowings as at December 31, 2013 and 2012. The Group's exposure to changes in market interest rates is mainly attributable to its interest-bearing assets including term deposits with banks, available-for-sale financial assets and cash and cash equivalents. As at December 31, 2013 and December 31, 2012, the term deposits with banks are all fixed interest rate instruments and the available-for-sale securities are highly liquid and are short term in nature. Therefore interest rate risk is considered to be insignificant.

(iii) Credit risk

Credit risk arises from investments in checking and savings accounts, debt securities issued by U.S. Treasury, term deposits with banks, available-for-sale securities, accounts receivable and receivables from sales representatives.

The Company maintains checking, money market accounts, term deposits with banks, debt securities issued by U.S. Treasury held in custody with banks and available-for-sale securities with high quality institutions. The Company has a large number of customers, operates in different geographic areas and generally does not require collateral on accounts receivable or receivables from sales representatives. The Company generally collects in advance from customers in markets with higher credit risk. In addition, the Company is continuously monitoring the credit transactions and maintains impairment allowance where necessary.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Available-for-sale financial assets are highly liquid instruments maintained with reputable institutions. Accounts receivable and receivables from sales representatives that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(iv) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

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The Group invests its excess cash in term deposits with commercial banks, U.S. Treasury securities and available-for-sale securities to generate income from interest received as well as capital gains, while the funds are held to support its business.

Generally, the Group holds securities with specified maturity dates such as U.S. Treasury Bills to maturity. The Group does not engage in buying and selling of securities with the objective of generating profits on short-term differences in price or for other speculative purposes. Its objective is to invest to support the Group's capital preservation strategy.

The Group's financial liabilities which consist of accounts payable and accrued liabilities are due within 12 months and their contractual undiscounted cash flows approximate their carrying amounts as the impact of discounting is not significant.

(v) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders and issue new shares. Currently the Group has no external borrowings and is not subject to any externally imposed capital requirements. The Group defines the total equity as the capital of the Group.

(vi) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value.

31 December 2013

	Level 1	Level 2	Level 3	Total
Asset				
Available-for-sale securities	\$ 6,367	-	-	\$ 6,367
Total asset	\$ 6,367	-	-	\$ 6,367

31 December 2012

	Level 1	Level 2	Level 3	Total
Asset				
Available-for-sale securities	\$ 7,472	-	-	\$ 7,472
Total asset	\$ 7,472	-	-	\$ 7,472

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily of available-for-sale financial assets.

The fair values of investment properties are disclosed under note 12.

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4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income Taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the Group-wide provision for income taxes and recognition of deferred tax assets. The Group has open tax assessments with tax authorities at the balance sheet date and there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues (note 9) based on reasonable estimates of whether additional taxes will be due and recognizes deferred income tax assets (note 15) on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax loss can be utilized. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax recognized in the period in which such determination is made.

(b) Goodwill and Intangible assets

Upon acquisition, the purchase consideration is allocated between the net tangible and intangible assets other than goodwill on a fair value basis with any excess purchase consideration representing goodwill. The valuation of the acquired intangible assets represents the estimated economic value in use, using the discounted cash flow method. Acquired intangible assets are capitalized and amortized systematically over their estimated useful lives (refer to note 2.7), subject to impairment review.

Amortization periods are selected based on assessment of the longevity of the brands, the strength and stability of customer relationships, the market positions of the acquired assets and the technological and competitive risks they face. The longevity of these assets is evidenced by their long established and well regarded brands, and their characteristically stable market condition. The Group has reviewed the useful life of intangible assets and revised the useful life of a trademark. The change in useful life is disclosed under note 13.

The carrying amounts of goodwill in each business are reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment in accordance to the accounting policy stated in note 2.8. The carrying amounts of all other intangible assets are reviewed where there are indications of possible impairment.

An impairment review involves a comparison of the carrying value of the asset with the value in use based on management cash flow projections or fair value less cost to sell based on market comparable transactions or income approach. Key areas of judgment in estimating the recoverable amount of a CGU are the growth in cash flows over a five-year forecast period, the long term growth rate assumed thereafter and the discount rate applied to the forecast cash flows.

During the year ended December 31, 2013, the Group recorded goodwill impairment charge of \$4,980 and intangible asset impairment charge of \$3,542 relating to the Haoji Group's exhibition business. A detailed discussion on the events leading to the impairment charges is included in note 13. After recording the impairment charge, the balance of goodwill relating to this business as at December 31, 2013 is nil. A sensitivity analysis has been performed for each Exhibition business based on changes in key assumptions considered to be reasonably possible by management. The Group's profit after tax will reduce by \$493 and \$784 if the pre-tax discount rate and the revenue growth applied to the discounted cash flows for the Haoji Group exhibition business at December 31, 2013 is raised by 1% and decreased by 1%, respectively, with all other variables including tax rate being held constant.

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For the other Exhibition business, there will be no impact to the Group's results after tax if the pre-tax discount rate and the revenue growth applied to the discounted cash flows for the acquired Exhibition business at December 31, 2013 is raised by 1% and decreased by 1%, respectively, with all other variables including tax rate being held constant.

5. Segment information

Management has determined the operating segments based on the business activities whose operating results are reviewed by the Group's chief operating decision maker ('CODM'), which is the Company's Board of Directors to assess the Group's performance and to make decisions about resources to be allocated to each segment.

The Group considers the business from a services perspective. The reportable operating segments derive their revenue primarily from the online and other media services and from the exhibitions.

Miscellaneous revenue consists mainly of technical services fee income and rental income. The results of these operations are included in the 'all other segments' column.

The CODM assesses the performance of the operating segments based on a measure of profit/loss from operations. This measurement basis excludes interest income. Other gains or losses comprising gain on sale of available-for-sale financial assets and impairment loss on available-for-sale financial assets are not allocated to segments, as this type of activity is driven by the treasury of the Group, which manages the cash position of the Group.

The segment information provided to the CODM for the reportable segments for the year ended December 31, 2013 is as follows:

	Online and other media services	Exhibitions	All other segments	Total
Revenue from external customers	\$ 104,629	\$ 85,636	\$ 7,257	\$ 197,522
Reportable segment profit/(loss) from operations	\$ 20,244	\$ (2,455)	\$ 2,890	\$ 20,679
Depreciation and amortization	\$ 2,541	\$ 3,227	\$ 3,261	\$ 9,029
Impairment of intangible assets	-	\$ 8,525	-	\$ 8,525
Other material non-cash items:				
Non-cash compensation expenses	\$ 1,106	\$ 1,064	-	\$ 2,170
Additions to property and equipment and intangible assets	\$ 14,869	\$ 12,170	\$ 92	\$ 27,131
Reportable segment assets	\$ 115,310	\$ 126,455	\$ 97,332	\$ 339,097

The segment information for the year ended December 31, 2012 is as follows:

	Online and other media services	Exhibitions	All other segments	Total
Revenue from external customers	\$ 136,101	\$ 88,782	\$ 6,857	\$ 231,740
Reportable segment profit from operations	\$ 24,856	\$ 7,331	\$ 2,784	\$ 34,971
Depreciation and amortization	\$ 3,069	\$ 3,037	\$ 3,006	\$ 9,112
Other material non-cash items:				
Non-cash compensation expenses	\$ 1,412	\$ 997	-	\$ 2,409
Additions to property and equipment and intangible assets	\$ 1,120	\$ 25,910	\$ 42	\$ 27,072
Reportable segment assets	\$ 98,896	\$ 110,169	\$ 102,104	\$ 311,169

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The segment information for the year ended December 31, 2011 is as follows:

	Online and other media services	Exhibitions	All other segments	Total
Revenue from external customers	\$ 141,475	\$ 77,973	\$ 5,617	\$ 225,065
Reportable segment profit from operations	\$ 21,078	\$ 7,292	\$ 3,350	\$ 31,720
Depreciation and amortization	\$ 3,270	\$ 1,327	\$ 2,188	\$ 6,785
Other material non-cash items:				
Non-cash compensation expenses	\$ 1,636	\$ 1,141	-	\$ 2,777
Additions to property and equipment and intangible assets	\$ 21,214	\$ 10,004	\$ 29,115	\$ 60,333
Reportable segment assets	\$ 112,189	\$ 84,610	\$ 79,531	\$ 276,330

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated income statement.

Revenue from barter transactions was \$4,725, \$3,252 and \$4,650 for the years ended December 31, 2013, 2012 and 2011, respectively. Similarly, the expenses from barter transactions were \$5,078, \$5,984 and \$4,478 for the years ended December 31, 2013, 2012 and 2011, respectively.

The amounts provided to the CODM with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment. For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the total assets attributable to each segment.

A reconciliation of the reportable segment profit from operations to profit before income taxes is provided as follows:

	2013	2012	2011
Total profit from operations for reportable segments	\$ 20,679	\$ 34,971	\$ 31,720
Unallocated amounts:			
Profit on sale of property	15,410	-	-
Interest income	1,472	1,044	360
Share of loss of associate	-	(24)	-
Gain on sale of available-for-sale securities	64	-	-
Impairment loss on investment in associate	-	(302)	-
Profit before income taxes	\$ 37,625	\$ 35,689	\$ 32,080

Revenue from external customers is derived mainly from online and other media services and from the exhibitions. The online and other media services comprise online services and print services. Technical services fee income and rental income are included in 'miscellaneous' revenue.

Breakdown of the revenue from all services is as follows:

	2013	2012	2011
Revenues			
Online services	\$ 91,422	\$ 119,011	\$ 117,946
Print services	13,207	17,090	23,529
Exhibitions	85,636	88,782	77,973
Miscellaneous	7,257	6,857	5,617
	\$ 197,522	\$ 231,740	\$ 225,065

Miscellaneous income includes rental income for the year ended December 31, 2013, 2012 and 2011 of \$6,083, \$5,795 and \$4,496, respectively.

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Geographic information

Revenue by geographic locations is based on the location of the customer. Segment assets are based on the location of the assets. Non-current assets exclude investments and deferred income tax assets. There are no revenue and assets generated from or located in Bermuda.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues			
China	\$ 163,107	\$ 189,648	\$ 177,563
Rest of Asia	29,891	35,603	40,011
United States	4,031	5,706	6,455
Europe	365	531	695
Others	128	252	341
	<u>\$ 197,522</u>	<u>\$ 231,740</u>	<u>\$ 225,065</u>
		<u>December</u>	<u>December</u>
		<u>31,</u>	<u>31,</u>
		<u>2013</u>	<u>2012</u>
Non-current assets			
China and rest of Asia		\$ 162,505	\$ 163,717
		<u>\$ 162,505</u>	<u>\$ 163,717</u>

There is no revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue (2012: nil, 2011: nil).

6. Interest income

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Interest income			
Treasury bills and balances with banks	\$ 58	\$ 59	\$ 101
Term deposits with banks	1,414	979	257
Available-for-sale financial assets	-	6	2
	<u>\$ 1,472</u>	<u>\$ 1,044</u>	<u>\$ 360</u>

7. Expenses by nature

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Depreciation of property and equipment (note 11)	\$ 3,507	\$ 4,186	\$ 5,286
Depreciation of investment property (note 12)	2,287	1,804	-
Amortization of intangible assets (note 13)	3,235	3,122	1,499
Total depreciation and amortization	<u>\$ 9,029</u>	<u>\$ 9,112</u>	<u>\$ 6,785</u>
Employee benefit expenses (note 8)	29,764	29,742	29,515
Rental expense on operating leases	13,786	14,844	14,734
Content, community, marketing and administrative service fees	33,427	42,389	44,694
Advertising costs	10,458	12,352	11,054
Sales commissions	43,217	45,360	42,943
Business tax	2,263	9,719	12,039
Legal and professional fees	1,335	1,716	1,562
Magazine, printing and mailing	2,132	3,377	3,937
Materials and supplies	11,494	12,607	11,066
Impairment of intangible assets (note 13)	8,525	1,389	670
Exchange (gain) loss	(1,448)	(61)	246

Other expenses	12,861	14,223	14,100
Total operating expenses	<u>\$ 176,843</u>	<u>\$ 196,769</u>	<u>\$ 193,345</u>

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Impairment of intangible assets and exchange gain /loss were included in general and administrative expenses in the consolidated income statement.

8. Employee benefit expenses

	2013	2012	2011
Wages and salaries	\$ 24,548	\$ 25,371	\$ 24,978
Retirement contribution plans	2,235	1,649	1,480
Non-cash compensation expenses	1,910	1,732	2,111
Other employee's benefits.	1,071	990	946
	\$ 29,764	\$ 29,742	\$ 29,515

9. Income tax expense

The Company and some of its subsidiaries operate in the Cayman Islands and other jurisdictions where there are no taxes imposed on companies (collectively referred to as 'Cayman Islands'). Some of the Company's subsidiaries operate in Hong Kong Special Administrative Region, Singapore, the People's Republic of China and certain other jurisdictions and are subject to income taxes in their respective jurisdictions. The Group is also subject to withholding taxes for revenues earned in certain other countries.

The Company received an exemption from Bermuda taxation under the Exempted Undertakings Tax Protection Act, 1996 (as amended) of Bermuda until March 31, 2035. The Company's subsidiary in Dubai, United Arab Emirates has been granted a fifty year tax holiday in Dubai since it is located in a Free Trade Zone, which may be subject to further renewal upon expiry of the initial fifty-year period in 2057. The Group did not utilize these tax holidays as at December 31, 2013 and December 31, 2012, as there were no taxable profits.

Income tax expense for the year consists of:

	2013	2012	2011
Current tax:			
Current foreign tax on profits for the year	\$ 6,106	\$ 3,181	\$ 1,674
Total current tax	\$ 6,106	\$ 3,181	\$ 1,674
Deferred foreign tax benefit (note 15)	(1,353)	(437)	(61)
Income tax expense	\$ 4,753	\$ 2,744	\$ 1,613

The tax on the Group's profit before income taxes differs from the theoretical amount that would arise using the statutory income tax rate of 0% as follows:

	2013	2012	2011
Profit before income taxes	\$ 37,625	\$ 35,689	\$ 32,080
Tax calculated at statutory income tax rate of 0% (2012: 0%; 2011: 0%)	-	-	-
Tax effect of:			
Foreign income and revenues taxed at higher rates	4,753	2,744	1,613
Income tax expense	\$ 4,753	\$ 2,744	\$ 1,613

The Company's subsidiaries are subject to taxation in Hong Kong, the People's Republic of China, Singapore and other jurisdictions. There are certain open tax assessments as at December 31, 2013. The tax returns of the Company's subsidiaries remain open to assessment in the following major tax jurisdictions: Hong Kong SAR – for the years from 2004 to 2013, Singapore – for the years from 2012 to 2013 and the People's Republic of China – for the years from 2008 to 2013. The Group's estimates of income tax expenses and liabilities of each year end include management judgment about the eventual outcome of the reviews of open years based on the latest information available about the positions taken by each tax authority.

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10. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Profit attributable to equity holders of the Company	\$ 32,735	\$ 32,206	\$ 29,476
Weighted average number of ordinary shares in issue	34,426,468	34,017,730	33,742,648
Basic earnings per share (\$ per share)	<u>\$ 0.95</u>	<u>\$ 0.95</u>	<u>\$ 0.87</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume the effects of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company consist of share grants.

For share grants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the outstanding share grants. The number of shares so calculated is compared against the number of shares that would have been issued assuming the exercise of the shares granted. The difference is added to the denominator as an issue of ordinary share for no consideration. No adjustment is made to earnings (the numerator).

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Profit attributable to equity holders of the Company	\$ 32,735	\$ 32,206	\$ 29,476
Weighted average number of ordinary shares in issue	34,426,468	34,017,730	33,742,648
Adjustments for share grants	<u>1,641,858</u>	<u>1,724,765</u>	<u>1,642,570</u>
Weighted average number of ordinary shares for diluted earnings per share	36,068,326	35,742,495	35,385,218
Diluted earnings per share (\$ per share)	<u>\$ 0.91</u>	<u>\$ 0.90</u>	<u>\$ 0.83</u>

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11. Property and equipment

	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Computer equipment, software, fixtures, fittings and office equipment and reusable trade show booths</u>	<u>Motor vehicles</u>	<u>Capital work-in-progress</u>	<u>Total</u>
Year ended December 31, 2013						
Cost						
Opening balance	\$ 27,972	\$ 15,179	\$ 36,439	\$ 373	\$ 2	\$ 79,965
Exchange differences	316	(30)	(631)	3	-	(342)
Additions	24,619	1,628	738	-	62	27,047
Disposals and write off	(5,122)	(4,762)	(1,535)	-	-	(11,419)
Total cost	\$ 47,785	\$ 12,015	\$ 35,011	\$ 376	\$ 64	\$ 95,251
Year ended December 31, 2013						
Accumulated depreciation						
Opening balance	\$ 2,521	\$ 12,612	\$ 34,167	\$ 223	\$ -	\$ 49,523
Exchange differences	13	(56)	(625)	1	-	(667)
Additions	974	923	1,545	65	-	3,507
Disposals and write off	(614)	(4,670)	(1,529)	-	-	(6,813)
Total accumulated depreciation	\$ 2,894	\$ 8,809	\$ 33,558	\$ 289	\$ -	\$ 45,550
Net book amount	\$ 44,891	\$ 3,206	\$ 1,453	\$ 87	\$ 64	\$ 49,701
Year ended December 31, 2012						
Cost						
Opening balance	\$ 51,823	\$ 13,714	\$ 35,579	\$ 371	\$ 894	\$ 102,381
Exchange differences	509	203	779	2	(19)	1,474
Additions	-	1,342	902	-	(873)	1,371
Transfer to investment properties	(24,360)	-	-	-	-	(24,360)
Disposals and write off	-	(80)	(821)	-	-	(901)
Total cost	\$ 27,972	\$ 15,179	\$ 36,439	\$ 373	\$ 2	\$ 79,965
Year ended December 31, 2012						
Accumulated depreciation						
Opening balance	\$ 2,672	\$ 11,525	\$ 32,271	\$ 152	\$ -	\$ 46,620
Exchange differences	28	181	739	2	-	950
Additions	1,201	940	1,976	69	-	4,186
Transfer to investment properties	(1,380)	-	-	-	-	(1,380)
Disposals and write off	-	(34)	(819)	-	-	(853)
Total accumulated depreciation	\$ 2,521	\$ 12,612	\$ 34,167	\$ 223	\$ -	\$ 49,523
Net book amount	\$ 25,451	\$ 2,567	\$ 2,272	\$ 150	\$ 2	\$ 30,442

Shenzhen International Chamber of Commerce Tower

In 2004, the Group entered into an agreement to purchase approximately 9,000 square meters of office space in a commercial building in Shenzhen, China. The building is situated on leasehold land. The lease period of the land is 50 years, commencing from year 2002. At the end of the lease period, the building together with land will revert to the local government authority. The construction was completed and the property was put in use during the year 2005. Depreciation of the property commenced during the year 2005. This

building is depreciated on a straight-line basis over the remaining lease term.

In 2008, the Group purchased approximately 6,365 square meters of office space in the abovementioned commercial building in Shenzhen, China. Depreciation of the property commenced during the year 2008. This building is depreciated on a straight-line basis over the remaining lease term.

Excellence Times Square

In 2007, the Group purchased approximately 1,939 square meters of office space in a commercial building in Shenzhen, China. The building is situated on leasehold land. The lease period of the land is 50 years, commencing from year 2002. At the end of the lease period the building together with the land will revert to the local government authority. The delivery of the office space to the Group was completed in 2007. The depreciation on this property commenced during 2007. The building is depreciated on a straight-line basis over the remaining lease term.

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In 2013, the Group sold this property and recorded a profit on sale of property of \$10,953 and related taxes of \$2,286 resulting from this transaction.

Southmark

In 2008, the Group purchased approximately 22,874 square feet of office space, together with six car parking spaces, in a commercial building in Hong Kong S.A.R.. The lease period of the land is 55 years, commencing from year 1991. Depreciation of the property commenced during the year 2008, and the building is being depreciated on a straight-line basis over the remaining lease term.

In 2013, the Group sold 9,431 square feet of the property and three car parking spaces and recorded a profit on sale of property of \$4,457 resulting from this transaction.

City Point

In 2011, the Group purchased approximately 6,668 square meters of office space in Shanghai. The lease period of the land is 50 years, commencing from year 2006. Depreciation of the property commenced during the year 2011, and the building is being depreciated on a straight-line basis over the remaining lease term.

Vita Tower

In 2013, the Group purchased approximately 36,822 square feet of office space in a commercial building situated in Hong Kong S.A.R., China. The building is situated on land with a lease period of 75 years expiring in 2023, which is renewable for a further 75 years. Depreciation of the property commenced during the year 2013 and the building is being depreciated on a straight-line basis over 50 years.

The carrying amounts of the buildings classified as property and equipment, as at December 31, 2013 and December 31, 2012 were as follows:

Property	Carrying amount as at December 31, 2013	Carrying amount as at December 31, 2012
Shenzhen International Chamber of Commerce Tower	\$ 3,938	\$ 4,041
Southmark	\$ 6,204	\$ 10,930
City Point	\$ 10,541	\$ 10,480
Vita Tower	\$ 24,208	\$ -
	<u>\$ 44,891</u>	<u>\$ 25,451</u>

The fair values of properties are determined with the assistance of independent licensed appraisers who have appropriate recognized qualifications and experience to carry out such an exercise. The fair value is based on market values, being the estimated amount for which a property can be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The total carrying amount of the investment properties (note 12) and buildings under property and equipment as at December 31, 2013 and December 31, 2012 were \$134,506 and \$122,828 respectively. The total fair value of these properties as at December 31, 2013 and December 31, 2012 were \$229,437 and \$219,690 respectively. The fair values of the properties as at December 31, 2013 and December 31, 2012 were determined by Savills Valuation and Professional Services Limited, Hong Kong using internationally accepted valuation methods.

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12. Investment properties

	2013	2012
Cost		
Opening balance	\$ 106,148	\$ 80,893
Exchange differences	2,684	895
Transfers from property and equipment (note 11)	-	24,360
Disposals and write off	(9,206)	-
Total cost	\$ 99,626	\$ 106,148
Accumulated Depreciation		
Opening balance	8,771	5,523
Exchange differences	203	64
Additions	2,287	1,804
Transfers from property and equipment (note 11)	-	1,380
Disposals and write off	(1,250)	-
Total accumulated depreciation	\$ 10,011	\$ 8,771
Net book amount	\$ 89,615	\$ 97,377

The information of the properties is detailed in note 11.

In the case when investment property forms part of a larger property unit, it is distinguished by Management on the basis of the area which it occupies in the total area of the property unit. The fair value attributable to investment properties determined based on the properties' highest and best use as at December 31, 2013 was \$161,206 (2012: \$170,147).

The table below analyses the fair values of investment properties, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

The following table presents the Group's investment properties at fair value.

	At 31 December 2013			
	Level 1	Level 2	Level 3	Total
Asset				
Investment properties	-	-	\$ 161,206	\$ 161,206
Total asset	-	-	\$ 161,206	\$ 161,206

Level 3 fair values of investment properties have been derived using the income capitalization approach whereby the rental incomes from rental contract for remaining rental periods are capitalized, taking into account the changes in market rents after the expiry of the contracts. The most significant input into this valuation approach is rental yield per square foot.

The rental income from investment properties for the year ended December 31, 2013, 2012 and 2011 was \$5,972, \$5,663 and \$nil, respectively.

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Direct operating expenses for investment properties, which generated rental income for the year ended December 31, 2013, 2012 and 2011 were as follows:

	2013	2012	2011
Insurance	\$ 70	\$ 60	-
Property tax/services fee	785	751	-
Building maintenance	37	49	-
Business tax	214	208	-
Depreciation	2,287	1,804	-
Total expenses	\$ 3,393	\$ 2,872	-

The transfer from property and equipment to investment properties with carrying amount of \$22,980 and \$75,370 was performed on December 31, 2012 and December 2011.

As at December 31, 2013, the contractual obligations relating to the investment property for renovation and maintenance were \$77 and \$38 respectively.

As at December 31, 2012 and 2011, there were no material contractual obligations relating to the investment property for renovation, repairs, maintenance.

13. Intangible assets

	Trademarks	Contractual backlog and others	Non-compete agreements	Goodwill	Database licences	Total
Year ended December 31, 2013						
Cost						
Opening balance	\$ 26,638	-	\$ 3,523	\$ 9,488	\$ 300	\$ 39,949
Additions	-	-	84	-	-	84
Write-off	-	-	(459)	-	(37)	(496)
Total cost	\$ 26,638	\$ -	\$ 3,148	\$ 9,488	\$ 263	\$ 39,537
Year ended December 31, 2013						
Accumulated amortization and impairment						
Opening balance	\$ 2,548	-	\$ 2,154	2,011	\$ 100	\$ 6,813
Additions	2,324	-	748	-	163	3,235
Impairment charge	3,542	-	3	4,980	-	8,525
Write-off	-	-	(459)	-	-	(459)
Total accumulated amortization and impairment	\$ 8,414	\$ -	\$ 2,446	\$ 6,991	\$ 263	\$ 18,114
Net book amount	\$ 18,224	\$ -	\$ 702	\$ 2,497	\$ -	\$ 21,423

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	<u>Trademarks</u>	<u>Contractual backlog and others</u>	<u>Non-compete agreements</u>	<u>Goodwill</u>	<u>Database licences</u>	<u>Total</u>
Year ended December 31, 2012						
Cost						
Opening balance	\$ 6,864	\$ 566	\$ 4,586	\$ 4,508	-	\$ 16,524
Additions	19,774	621	26	4,980	300	25,701
Write-off	-	(1,187)	(1,089)	-	-	(2,276)
Total cost	\$ 26,638	\$ -	\$ 3,523	\$ 9,488	\$ 300	\$ 39,949
Year ended December 31, 2012						
Accumulated amortization and impairment						
Opening balance	\$ 955	\$ 509	\$ 2,458	656	-	\$ 4,578
Additions	1,593	678	751	-	100	3,122
Impairment charge	-	-	34	1,355	-	1,389
Write-off	-	(1,187)	(1,089)	-	-	(2,276)
Total accumulated amortization and impairment	\$ 2,548	\$ -	\$ 2,154	\$ 2,011	\$ 100	\$ 6,813
Net book amount	\$ 24,090	\$ -	\$ 1,369	\$ 7,477	\$ 200	\$ 33,136

The Group has recognized intangible assets relating to non-compete agreements with its former employees and former team members at fair values as discussed in note 2.15 (b) and note 21. The Group amortizes these intangible assets on straight-line basis over the non-compete term which is specified in the award.

On October 1, 2013, the Group reviewed the useful life of the trademark relating to the Haoji Group taking into account weaker than expected performance of the operations and the changes in market conditions and revised the useful life of the trademark from seventeen years to seven years. The effect of this change in the accounting estimate was recognized prospectively from October 1, 2013. The Group recorded additional amortization expense of \$537 during the year ended December 31, 2013 resulting from the change in accounting estimate. Annual amortization expense is expected to be higher by \$1,462 during future financial years due to the change in accounting estimate.

The amortization expense was included under general and administration expenses in the consolidated income statements.

Impairment test for goodwill/ trademarks:

Goodwill is allocated to the Group's cash-generating units ('CGUs') identified according to operating segments. An operating segment-level summary of the goodwill allocation is:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Exhibitions, eMedia South China Limited	\$ 2,497	\$ 2,497
Exhibitions, Haoji Group Limited	-	4,980
Net book amount	\$ 2,497	\$ 7,477

The recoverable amount of CGU has been determined based on value-in-use calculations. These calculations use cash flow projections by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

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Exhibitions, Shenzhen PRC:

Key assumptions used for value-in-use calculations in 2013 and 2012 are as follows:

eMedia South China Limited

- Revenue growth rate of average 2% (2012: 12%)
- Pre-tax discount rate of 22% (2012: 24%) applied to the pre-tax cash flow projections
- Growth rate beyond five years of 1.5% (2012: 1.5%)

These above assumptions have been used for the analysis of the CGU within the operating segment.

Management determined revenue growth rate based on past performance and its expectations of market developments. The discount rates used reflect specific risks relating to the relevant operating segment.

There was no impairment to goodwill for eMedia South China Limited at December 31, 2013 and December 31, 2012. In addition, there were no indicators of impairment for the trademark relating to eMedia South China Limited at December 31, 2013. The Group also re-assessed the useful lives of the trademarks and determined that no change in the useful lives was required.

Haoji Group:

- Revenue growth of average 16% (2012: 12%).
- Pre-tax discount rate of 22% (2012: 24%) applied to the pre-tax cash flow projections
- Growth rate beyond five years of 1.5% (2012: 1.5%)

Management determined revenue growth rates based on past performance and its expectations of market developments. The discount rates used reflect specific risks relating to the relevant operating segment.

Due to slowdown in the current economic climate in China, the Group noted a significant decline in booth sales for the 2013 event. Accordingly, management performed an impairment review as at June 30, 2013. Management performed an annual impairment review again as at December 31, 2013. These reviews revealed a slow sales trend and a shortfall in the future cash flows to support the recoverability of the carrying value of the Haoji Group exhibition business. The cash flow projections used by management were based on the detailed financial and operating plans of the business and the more than anticipated softening of the fashion industry exhibitions market since the end of last financial year. Accordingly, a total impairment of \$4,980 to goodwill and an impairment of \$3,542 to trademark were recorded in the consolidated income statement for year ended December 31, 2013.

Online and other media business, EDN:

During the years ended December 31, 2012 and 2011, the Group recorded impairment of \$1,355 and \$656 to goodwill due to more than anticipated softening of the print advertising business. The balance of goodwill relating to EDN business was \$nil as at December 31, 2012.

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14. Financial assets, available-for-sale and long term investments

(a) Financial assets, available-for-sale

	2013	2012
At January 1	\$ 7,472	\$ 13,250
Purchases during the year	63	12,611
Disposals	(1,294)	(18,508)
Interest income recognized during the year	-	6
Exchange differences	65	61
Fair value gains recognized in other comprehensive income	61	52
At December 31	\$ 6,367	\$ 7,472

Financial assets, available-for-sale include the followings:

	December 31, 2013	December 31, 2012
Listed securities:		
Quoted money market debt instruments	\$ 6,367	\$ 7,472
	\$ 6,367	\$ 7,472

The maximum exposure to credit risk at the reporting date is the carrying value of the debt securities classified as available for sale.

None of these financial assets are either past due or impaired (2012: nil).

(b) Long term investments

As at December 31, 2013 and December 31, 2012, the Company holds equity instruments carried at \$100 in a privately held unaffiliated electronic commerce company for business and strategic purposes. The investment is accounted for under the cost method since the ownership is less than 20%, the Company does not have the ability to exercise significant influence over the investee and the fair value cannot be reliably measured. The Company's policy is to regularly review the carrying values of the non-quoted investments and to identify and provide for when circumstances indicate impairment other than a temporary decline in the carrying values of such assets has occurred.

(c) Associate

In 2012, the Group subscribed to an approximate 10% of equity interest in Shooii Limited, an Australian start-up company, which operated an online retail platform for footwear for approximately \$326. The Group has the ability to exercise significant influence over Shooii Limited by virtue of their representation on the Board of Directors. During 2012, management carried out an impairment assessment and determined that this investment has been fully impaired as Shooii Limited suffered severe cash flow problems and all their attempts to find new sources of financing failed, resulting in Shooii Limited going under official administration and facing a prospect of being liquidated. The Group recorded an impairment loss relating to this investment of \$302 under 'Impairment loss on investment in associate' in the consolidated income statement for 2012.

15. Deferred tax assets

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

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	December 31, 2013	December 31, 2012
Deferred tax assets:		
Deferred tax asset to be recovered after more than 12 months	\$ 4	\$ 149
Deferred tax assets to be recovered within 12 months	94	95
	\$ 98	\$ 244
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	\$ 3,787	\$ 5,651
Deferred tax liabilities to be settled within 12 months	804	439
	\$ 4,591	\$ 6,090
Deferred tax liabilities, net	\$ (4,493)	\$ (5,846)

The gross movement on the deferred income tax account is as follows:

	2013	2012
At January 1	\$ (5,846)	\$ (1,185)
Credited to the consolidated income statement	1,353	437
Acquisition of business	-	(5,098)
At December 31	\$ (4,493)	\$ (5,846)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Provisions and expenses	Tax losses	Other	Total
At January 1, 2012	\$ 273	\$ 13	\$ 39	\$ 325
(Charged)/credited to the consolidated income statement	(86)	(13)	18	(81)
At December 31, 2012	\$ 187	\$ -	\$ 57	\$ 244
Charged to the consolidated income statement.	(89)	-	(57)	(146)
At December 31, 2013	\$ 98	\$ -	\$ -	\$ 98

Deferred tax liabilities	Accelerated tax depreciation	Fair value adjustments on acquisition of business	Total
At January 1, 2012	\$ 61	\$ 1,449	\$ 1,510
Acquisition of business	-	5,098	5,098
Charged/(credited) to the consolidated income statement	39	(557)	(518)
At December 31, 2012	\$ 100	\$ 5,990	\$ 6,090
Credited to the consolidated income statement	(40)	(1,459)	(1,499)
At December 31, 2013	\$ 60	\$ 4,531	\$ 4,591

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of \$9,117 (December 31 2012: \$10,236) in respect of losses amounting to \$32,058 (December 31, 2012: \$36,010) that can be carried forward against future taxable income. Losses amounting to \$27,612 (December 31, 2012: \$29,232) expire by 2020, and the remaining losses have no expiry date. In 2013, \$7,721 of previously unrecognized losses were utilized in relation to the taxable profits arising from the sale of investment properties in note 12.

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16. Prepaid expenses and other current assets

	December 31, 2013	December 31, 2012
Non-current portion:		
Club memberships	\$ 216	\$ 216
Deferred expenses – exhibition (iii)	1,218	2,144
Rental, utility and other deposits	332	402
	\$ 1,766	\$ 2,762
Current portion:		
Unsecured employee loans (i)	\$ 19	\$ 25
Temporary advances to employees (ii)	-	9
Prepaid expenses	1,542	1,431
Deferred expenses (iii)	14,016	15,496
Other current assets	2,967	1,435
	\$ 18,544	\$ 18,396

- (i) The loans for the lease of residence are unsecured, interest free and are repayable in equal monthly installments over the period of the lease, typically less than or equal to twelve months.

There were no loans due from the Company's directors and executive officers as at December 31, 2013 and December 31, 2012.

- (ii) Other temporary advances to staff are unsecured, interest free and are generally repayable within twelve months.
- (iii) Deferred expenses relate to deferred commission expenses and direct event production costs for exhibition events to be held in future periods.

The fair value of club membership, employee loans and other receivables at the reporting date approximates its carrying value of each asset mentioned above.

17. Inventories

	December 31, 2013	December 31, 2012
Stock of paper, at cost	\$ 266	\$ 410
	\$ 266	\$ 410

The cost of inventories recognized as expense and included in community and content amounted to \$468, \$707 and \$866 for the years ended December 31, 2013, 2012 and 2011, respectively.

18. Accounts receivables and receivables from sales representatives

	December 31, 2013	December 31, 2012
Accounts receivables	\$ 3,598	\$ 4,774
Less: provision for impairment of accounts receivables	(476)	(532)
Accounts receivables – net	3,122	4,242
Receivables from sales representatives	10,630	7,773

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The fair values of accounts receivables and receivables from sales representatives are as follows:

	December 31, 2013	December 31, 2012
Accounts receivables	\$ 3,122	\$ 4,242
Receivables from sales representatives	10,630	7,773
	\$ 13,752	\$ 12,015

As at December 31, 2013 and December 31, 2012, receivables from sales representatives of \$10,630 and \$7,773, respectively, were neither past due nor impaired. The receivables from sale representatives represent cash receipts from the Group's customers, net of commissions and fees payable, and which are collected by the independent sales representatives on behalf of the Group. These cash receipts are banked into designated bank accounts owned by the independent sales representatives in China. For credit risk management purposes, the Group's employees are the only authorized signatories for the withdrawal of cash from these bank accounts. The majority of these independent sales representatives have long standing relationships with the Group, and for whom there is no recent history of default.

As at December 31, 2013 and December 31, 2012 accounts receivables of \$3,122 and \$4,242, respectively were past due but not impaired. The aging analysis of these accounts receivables is as follows:

	December 31, 2013	December 31, 2012
Up to 3 months	\$ 2,420	\$ 3,501
3 to 6 months	468	505
Over 6 months	234	236
	\$ 3,122	\$ 4,242

As at December 31, 2013 and December 31, 2012, the gross trade receivables of \$476 and \$532, respectively, were impaired and provided for. The individually impaired receivables mainly relate to certain customers for online and other media services, which are in unexpectedly difficult economic situations.

The aging of these accounts receivables is as follows:

	December 31, 2013	December 31, 2012
Up to 3 months	\$ 116	\$ 178
3 to 6 months	109	118
Over 6 months	251	236
	\$ 476	\$ 532

Movements on the Group's provision for impairment of accounts receivables are as follows:

	2013	2012
At January 1	\$ 532	\$ 527
Provision for receivable impairment	30	229
Receivables written off during the year as uncollectible	(86)	(224)
At December 31	\$ 476	\$ 532

The creation and release of provision for impaired receivables have been included in sales costs in the consolidated income statements. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group

does not hold any collateral as security.

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19. Cash, bank balances, term deposits with banks and financial assets, available-for-sale

	December 31, 2013	December 31, 2012
Cash at bank and on hand	\$ 26,070	\$ 19,304
U.S. Treasury securities with original maturities of less than three months	13,246	13,256
Term deposits and short-term highly liquid investments with original maturities of three months or less	98,043	72,071
Cash and cash equivalents	137,359	104,631
Quoted money market debt instruments	6,367	7,472
Financial assets available-for-sale	6,367	7,472
Term deposits with original maturities of over three months	106	4,184
Total	\$ 143,832	\$ 116,287

20. Share capital and treasury shares

	Number of common shares		Amount		
	Issued share capital	Treasury shares	Issued share capital	Treasury shares	Share premium
At January 1, 2011	51,569,540	(17,996,000)	\$ 516	\$ (150,089)	\$ 39,985
Issuance of common shares under Equity Compensation Plans	220,408	-	2	-	-
At December 31, 2011	51,789,948	(17,996,000)	\$ 518	\$ (150,089)	\$ 39,985
Issuance of common shares under Equity Compensation Plans	275,415	-	3	-	-
At December 31, 2012	52,065,363	(17,996,000)	\$ 521	\$ (150,089)	\$ 39,985
Issuance of common shares under Equity Compensation Plans	416,408	-	4	-	-
At December 31, 2013	52,481,771	(17,996,000)	\$ 525	\$ (150,089)	\$ 39,985

The authorised share capital of the Company as at December 31, 2013 and December 31, 2012 is 75,000,000 common shares of \$0.01 par value. As at December 31, 2013 and December 31, 2012, the Company has 34,485,771 and 34,069,363 common shares outstanding, respectively. The share premium of \$39,985 as at December 31, 2013 and December 31, 2012 is recognized under capital reserves in note 22.

On February 4, 2008, the Board of Directors of the Company authorized a program to buy back up to \$50,000 worth of common shares. The Company may, from time to time, as business conditions warrant, purchase shares in the open market or through private transactions. The buyback program does not obligate the Company to buyback any specific number of shares and may be suspended or terminated at any time at management's discretion. The timing and amount of any buyback of shares will be determined by management based on its evaluation of market conditions and other factors. As at December 31, 2013 and December 31, 2012, the Company has not bought back any of its shares under this program.

Under a separate program approved by the Board of Directors of the Company at their meeting held on 10 and 11 November 2008, the Company repurchased 6,875,000 issued and outstanding common shares at a total purchase price of \$50,000 or \$8.00 per share pursuant to a tender offer available for all shareholders to participate in 2008. The Company is holding the repurchased shares as treasury shares.

On 24 June 2010, the Board of Directors of the Company authorized a program to repurchase 11,121,000 of its common shares by tender offer at purchase price of \$9.00 per share. Accordingly, in August 2010, the Company completed the repurchase and paid a total purchase consideration of \$100,089. The Company is holding the repurchased shares as treasury shares.

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21. Non-cash compensation

On December 30, 1999, the Company established The Global Sources Employee Equity Compensation Trust (the 'Trust') for the purpose of administering monies and other assets to be contributed by the Company to the Trust for the establishment of equity compensation and other benefit plans, including the Equity Compensation Plans Numbers I to VII described below. The Trust is administered by Appleby Services (Bermuda) Ltd (previously known as 'Harrington Trust Limited' and then as 'Appleby Trust (Bermuda) Ltd.') (the 'Trustee'). The Trustee in the exercise of its power under the Declaration of Trust may be directed by the Equity Compensation Plan committee, including the voting of securities held in the Trust. The Board of Directors of the Company will select the members of the Equity Compensation Plan committee.

On February 4, 2000, in conjunction with the establishment of the Trust and the Share Exchange, the former parent company of Global Sources Ltd. assigned 4,034,552 common shares of the Company at a historical cost of less than \$1, representing a 10% equity interest in the Company, for the establishment of share option plans and/or share award plans, known as ECP I, ECP II and ECP III. Subsequently, share option plans and/or share award plans, known as ECP IV, ECP V, ECP VI and ECP VII were established.

Pursuant to a Declaration of Trust dated November 28, 2006 by the Trustee, 'The Global Sources Equity Compensation Trust 2007' ('2007 Trust') was established. The 2007 Trust is administered by the Trustee as trustee. The purpose of the 2007 Trust is to administer shares contributed by the Company to the 2007 Trust from time to time in connection with providing equity compensation benefits under The Global Sources Equity Compensation (2007) Master Plan described below ('ECP 2007 Master Plan'). In exercising its powers under the Trust, the Trustee may be directed by a plan committee to be constituted and appointed by the Company. The Plan Committee ('ECP 2007 Plan Committee') was constituted and appointed by the Board of Directors on February 15, 2007.

The ECP 2007 Master Plan was approved by the Company's shareholders on May 8, 2006. The ECP 2007 Master Plan commenced with effect on January 1, 2007 and, unless terminated earlier by the Company's Board of Directors, will expire on December 31, 2017. The Group's employees, directors, consultants and the Group's independent contractors' employees are eligible to be awarded grants of the Company's common shares under the ECP 2007 Master Plan. The grantees and the number of shares to be awarded, and the vesting rules and other terms and conditions, are to be as determined by the Plan Committee, which is authorized under the ECP 2007 Master Plan to issue supplementary or subsidiary documents to set out and evidence such vesting rules and other terms and conditions. The total number of shares to be issued under the ECP 2007 Master Plan is subject to a limit of 3,000,000 common shares.

On November 7, 2006, the Company filed a Form S-8 Registration Statement under the Securities Act of 1933, with the U.S. Securities and Exchange Commission, for up to 3,000,000 common shares to be issued under the ECP 2007 Master Plan.

(a) Share grants to employees and team members

The Equity Compensation Plan committee approved and made several share awards / options under the plans ECP I, ECP II, ECP III, ECP IV and ECP VII. All the share awards / options under these plans have fully vested. The non-cash compensation expenses associated with these awards have been recognized over the vesting terms of the awards from their respective award dates.

Eligible employees, directors and team members (consultants and the employees of third party independent contractors) under ECP V are awarded grants of shares, the numbers of which are determined by the Equity Compensation Plan committee.

Entitlement of the employees and directors to these common shares is subject to employment and vesting terms. Entitlement of team members to these common shares is subject to continued services provided by them and vesting terms.

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The Equity Compensation Plan committee approved the awards of common shares under ECP V on January 23, 2001. The Equity Compensation Plan committee subsequently approved additional awards of common shares under ECP V on various dates.

The non-cash compensation expenses associated with the above awards are recognized over the five or six year vesting term as applicable from the respective award dates.

On March 6, 2007, the Plan Committee approved and issued 'The Global Sources Share Grant Award Plan' as a supplementary or subsidiary document to the ECP 2007 Master Plan. Under the plan, the Plan Committee is to determine who will be granted awards of shares and the number of shares to be awarded to them, and the vesting schedule for such awards. The plan commenced with effect on March 6, 2007, and will terminate upon the expiration or termination of the ECP 2007 Master Plan, or upon the liquidation of the Company, or upon termination by the Plan Committee, whichever is the earliest to occur. The Plan Committee approved awards of common shares under the plan during the years 2007 to 2013 to employees and team members (consultants and the employees of third party independent contractors). The non-cash compensation expenses associated with the awards are recognized over the six year vesting term of the award.

On April 24, 2009, the Plan Committee approved and issued 'The Global Sources Directors Share Grant Award Plan' as a supplementary or subsidiary document to the ECP 2007 Master Plan. Persons eligible to receive grants under the plan are directors of the Company. Under the plan, the Plan Committee is to determine who amongst the directors of the Company will be granted awards of shares and the number of shares to be awarded to them. Any shares awarded will not vest immediately, but only at the end of four years after such effective date as may be specified by the Plan Committee (or in accordance with such other vesting schedule as may be determined by the Plan Committee). The plan commenced with effect on April 24, 2009, and will terminate upon the expiration or termination of the ECP 2007 Master Plan, or upon the liquidation of the Company, or upon termination by the Plan Committee, whichever is the earliest to occur. The Plan Committee awarded 21,000 common shares (comprising 3,000 common shares each to seven directors of the company), 19,500 common shares (comprising 3,000 common shares each to six directors and 1,500 to one director) to the seven directors of the Company, 1,500 common shares (to one director), 21,000 common shares (comprising 3,000 common shares each to seven directors), 21,000 common shares (comprising 3,000 common shares each to seven directors) and 21,000 common shares (comprising 3,000 common shares each to seven directors) in January 2013, January 2012, June 2011, January 2011, January 2010 and June 2009, respectively. The non-cash compensation expenses as at December 31, 2012, associated with the awards under the plan are recognized over the four year vesting term of the award.

As at December 31, 2013 and December 31, 2012, there was \$4,059 and \$4,298, respectively, of unrecognized non-cash compensation cost associated with the awards under the above ECP plans, excluding the awards under ECP VI, and The Global Sources Retention Share Grant Plan and The Global Sources Retention Share Grant Plan II, which are expected to be recognized over the next six years.

(b) Share grants for non-compete agreements

Eligible employees and team members under ECP VI are awarded, when they resign or retire from their respective employment or consultancy service, one-time grants of Global Sources Ltd. common shares, the numbers of which are determined by the Equity Compensation Plan committee. Entitlement of the grantees to these common shares is subject to non-compete terms. There is no other vesting conditions other than the non-compete terms. The Equity Compensation Plan committee approved ECP VI on March 13, 2001 and made awards of common shares under the plan on various dates subsequently.

On March 6, 2007, the Plan Committee approved and issued 'The Global Sources Retention Share Grant Plan' as a supplementary or subsidiary document to the ECP 2007 Master Plan. Persons eligible to receive grants under the plan are persons who have been the employees and team members for at least five years, who retire 'in good standing' (as determined by the Plan Committee), and who would otherwise have their unvested shares (under any applicable equity compensation plans) forfeited upon retirement. The Plan Committee is to determine who amongst eligible persons will be granted awards of common shares. The number of common shares to be awarded to such grantees is calculated according to a formula defined in the plan, and will vest in equal installments over a period of five years after retirement, subject to certain non-compete terms and the grantees remaining 'in good standing'. There is

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

The Company's non-vested shares as at December 31, 2013 and 2012 and changes during the year ended December 31, 2013 and 2012 were as follows:

[illegible]

2012	<u>18,100</u>	\$	<u>5.75</u>	<u>1,500</u>	\$	<u>7.42</u>	<u>-</u>	<u>-</u>	<u>1,439,836</u>	\$	<u>8.25</u>	<u>280,297</u>	\$	<u>7.43</u>	<u>84,000</u>	\$	<u>7.40</u>
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GLOBAL SOURCES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

The total fair value of shares vested during the years ended December 31, 2013 and 2012 were as follows:

Year ended December 31,	ECP V Grant Plan		ECP VI Grant Plan		ECP VII Grant Plan		The Global Sources Share Grant Award Plan	The Global Sources Retention Share Grant Plan and the Global Sources Retention Share Grant Plan II	The Global Sources Directors Share Grant Award Plan	Total				
2013	\$	24	\$	-	\$	-	\$	1,922	\$	694	\$	136	\$	2,776
2012	\$	19	\$	3	\$	658	\$	905	\$	578	\$	-	\$	2,163

Non-cash compensation expenses associated with the employee and team member Equity Compensation Plans and Global Sources Directors Share Grant Award Plan included under various categories of operating expenses are approximately as follows: sales: \$539 (2012: \$565; 2011: \$737), community and content: \$43 (2012: \$70; 2011: \$234), general and administrative \$1,340 (2012: \$1,524; 2011: \$1,528), and information and technology: \$248 (2012: \$250; 2011: \$278).

22. Other reserves

	Accumulated other comprehensive income			
	Fair value reserve	Currency translation reserve	Capital reserve	Total
At January 1, 2013	\$ 33	\$ 6,750	\$ 149,846	\$ 156,629
Fair value gains (note 14)	61	-	-	61
Reclassification to income statement on disposal of available-for-sale financial asset	(64)	-	-	(64)
Currency translation differences	-	3,170	-	3,170
Less : Share of non-controlling interests	(22)	(74)	-	(96)
Non-cash compensation	-	-	2,170	2,170
Capitalization of intangible assets relating to share grants for non-compete agreements, net (note 13)	-	-	84	84
Issuance of shares	-	-	(4)	(4)
At December 31, 2013	\$ 8	\$ 9,846	\$ 152,096	\$ 161,950
At January 1, 2012	\$ -	\$ 5,177	\$ 147,414	\$ 152,591
Fair value gains (note 14)	52	-	-	52
Currency translation differences	-	1,623	-	1,623
Less : Share of non-controlling interests	(19)	(50)	-	(69)
Non-cash compensation	-	-	2,409	2,409
Capitalization of intangible assets relating to share grants for non-compete agreements, net (note 13)	-	-	26	26
Issuance of shares	-	-	(3)	(3)
At December 31, 2012	\$ 33	\$ 6,750	\$ 149,846	\$ 156,629

GLOBAL SOURCES LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

23. Deferred income and customer prepayments

	December 31, 2013	December 31, 2012
Non-current portion:		
Advertising	\$ 664	\$ 2,990
Exhibitions	4,996	6,072
	<u>\$ 5,660</u>	<u>\$ 9,062</u>
Current portion:		
Advertising	44,251	47,904
Exhibitions, subscription and others	40,453	36,636
	<u>\$ 84,704</u>	<u>\$ 84,540</u>

24. Accrued liabilities

	December 31, 2013	December 31, 2012
Salaries, wages and commissions	\$ 2,152	\$ 2,507
Retirement defined contribution accruals	1,563	869
Liabilities for incentive plan	1,824	1,759
Printing, paper and bulk mailing costs	46	221
Sales commissions and fees to third parties	3,787	4,745
Business taxes	4,489	4,946
Others	5,305	5,362
	<u>\$ 19,166</u>	<u>\$ 20,409</u>

25. Contingencies

From time to time the Group is involved in litigation in the normal course of business. While the results of such litigation and claims cannot be predicted with certainty, the Group believes that the probability is remote that the outcome of the outstanding litigation and the claims will individually, and in aggregate, have a material adverse effect on the Group's consolidated financial position, results of operation and cash flows.

26. Commitments

(a) Capital commitment

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2013	2012
Purchase of property and equipment	\$ 205	\$ 9
Total	<u>\$ 205</u>	<u>\$ 9</u>

(b) Operating lease commitments – group company as lessee

The Group leases office facilities and exhibition venues under cancellable and non-cancellable operating leases generally with an option to renew upon expiry of the lease term.

During the first quarter of 2007, the Group entered into a number of venue license agreements for exhibition events amounting to \$44,396 in payments over five and a half years. In 2010, the Group further entered into a number of venue license agreements for exhibition events amounting to a gross value approximately \$19,990 in payments over five years. Subsequently, the Group signed supplemental agreements for additional space, increasing the total amount to \$20,731. Again in 2012, the Group entered into additional

venue license agreements for the exhibition events amounting to a gross value of approximately \$21,418. All the above agreements are cancellable under force majeure or other specified conditions, or upon notice and payment of cancellation charges to the other party. The amounts paid will be expensed when the related events are held. As at December 31, 2013, the Group paid approximately, in aggregate, \$53,146 for the above agreements.

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

In addition, the Group entered into several agreements for the venue rental for future exhibition events to be held in 2014 amounting to \$476 during 2013. The amounts paid under these agreements as at December 31, 2013 were \$7. The above agreements are cancellable upon notice and payment of cancellation charges to the other party.

The future aggregate minimum lease rental payments under non-cancellable operating leases for office premises and leases for exhibition venues are as follows:

	2013	2012
No later than 1 year	\$ 599	\$ 831
Later than 1 year and no later than 5 years	85	749
Total	\$ 684	\$ 1,580

(c) **Operating lease commitments – group company as lessor**

The Group leases out office premises to non-related companies under non-cancellable operating leases. The future aggregate lease payments receivable under non-cancellable operating leases for office premises within the next 1 year and later than 1 year but not later than 5 years are \$3,897 and \$2,844, respectively.

27. Related party transactions

There were no material related party transactions during the year 2013 and 2012, except for the compensation paid or payable to key management for employee services is shown below:

	2013	2012
Wages, salaries, bonus, fees and other short-term benefits	\$ 2,561	\$ 2,194
Non-cash compensation expenses	998	718
Total	\$ 3,559	\$ 2,912

28. Events after reporting periods

(a) **Acquisition of commercial property**

In order to reduce the Group's exposure to potential rental cost increases, and to secure office space for the Group's continued and uninterrupted operational use, the Group has signed a sale and purchase agreement on January 20, 2014 for the purchase of commercial property on the eighth floor of No. 1 Sims Lane, Singapore, with a total gross floor area of approximately 22,496.50 square feet, together with roof top accessory lots above the eighth floor, which the Group currently leases for operational use for a total consideration of approximately \$13,100. The transaction has been completed on February 10, 2014 and the total purchase consideration has been paid by the Group.

(b) **Acquisition of Topranch Limited**

In April 2013, the Group entered into an agreement to acquire 100% interest in Topranch Limited, subject to closing conditions.

Topranch Limited (a company incorporated in the British Virgin Islands) holds the entire issued share capital of Smart Advisory Limited (a company incorporated in Hong Kong S.A.R.), which holds 70% of the equity interests in Huanxi Information Consulting (Shenzhen) Co., Ltd. (a company incorporated in the People's Republic of China). Huanxi Information Consulting (Shenzhen) Co., Ltd. holds 100% of the equity interests in Shenzhen Huanyue Convention & Exhibition Co., Ltd. (a company incorporated in the People's Republic of China), which holds 80% of the equity interests in Shenzhen Xieguang Convention & Exhibition Co., Ltd. (a company incorporated in the People's Republic of China).

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

Shenzhen Huanyue Convention & Exhibition Co., Ltd. organizes the Shenzhen International Machining Automation Exhibition and the Shenzhen International Metal Forming Machine Tool & Mould Exhibition. Shenzhen Xieguang Convention & Exhibition Co., Ltd. organizes the Shenzhen International Metal Cutting Machine Tool Exhibition. These events are held annually in Shenzhen, People's Republic of China. The Group's ownership interest in these events will further assist the Group to establish a strong presence in a fast-growing market in mainland China. With the above events' dominant presence in the machinery industry, combined with the Group's globally established media platform, the Group's ownership interest in the above events will enable the Group to take advantage of the market opportunities.

The total consideration for this transaction amounts to approximately \$16,600, with an initial deposit of \$2,145 that was paid in 2013. The balance cash consideration of \$14,455 is payable in several installments over next four years upon certain conditions being fulfilled. In addition, there is a potential obligation for the Group to pay no more than \$1,156 for transaction cost, which will be expensed upon payment. The Group expensed \$231 legal and other costs relating to this transaction in 2013. The transaction has been completed in 2014.

The Group is currently in the process of valuing the assets acquired and liabilities assumed in the transaction. The Group will provide all the required disclosures upon the completion of the valuation in 2014.

(c) Purchase of treasury shares

On March 11, 2014, the Board of Directors of the Company authorized the repurchase of up to 5,000,000 of its issued and outstanding common shares by tender offer at a purchase price of \$10.00 per share. The total purchase consideration for this tender offer will be up to \$50,000. The Company expects to fund this share repurchase from the cash balance on hand. The offer is expected to commence before the end of April 2014 and is expected to be completed by the end of May 2014. The Company will hold the repurchased shares as treasury shares.

29. Recent accounting pronouncements

New standards, amendments and interpretations issued that are effective for the financial year beginning 1 January 2014:

- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The Group adopted Amendments to IAS 36 for the accounting period beginning on January 1, 2014 and the adoption of this standard is not expected to have a significant impact on the Group's financial statements.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The transitional provisions governing the switch to IFRS 9 have changed as a result of amendments to IFRS 9 and IFRS 7 – Mandatory Effective Date and Transition Disclosures. These amendments have postponed the date for mandatory first-time adoption to accounting periods beginning on or after January 1, 2018. Accordingly, the Group will adopt IFRS 9 when it becomes applicable. The Group will assess the impact on the Group's financial statements, if any, when the final standard is announced.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

ITEM 9. THE OFFER AND LISTING

Price history of stock

The following table sets forth the high and low per share closing prices for our common shares for the periods indicated, as adjusted for the one for ten bonus share issues announced on February 16, 2004, March 1, 2005, March 6, 2006, March 5, 2007, December 20, 2007 and on February 12, 2009.

Period	High	Low
Year 2009	\$ 7.97	\$ 3.30
Year 2010	\$ 11.04	\$ 6.00
Year 2011	\$ 12.78	\$ 4.81
Year 2012	\$ 7.37	\$ 4.90
Year 2013	\$ 8.48	\$ 5.55
First Quarter 2012	\$ 7.37	\$ 4.90
Second Quarter 2012	\$ 6.70	\$ 4.96
Third Quarter 2012	\$ 7.34	\$ 5.38
Fourth Quarter 2012	\$ 6.81	\$ 5.40
First Quarter 2013	\$ 8.48	\$ 6.43
Second Quarter 2013	\$ 7.58	\$ 5.55
Third Quarter 2013	\$ 7.75	\$ 6.06
Fourth Quarter 2013	\$ 8.25	\$ 6.95
First Quarter 2014	\$ 9.11	\$ 6.26
October 2013	\$ 8.25	\$ 6.95
November 2013	\$ 7.94	\$ 7.10
December 2013	\$ 8.24	\$ 7.32
January 2014	\$ 8.20	\$ 6.55
February 2014	\$ 7.03	\$ 6.26
March 2014	\$ 9.11	\$ 6.53

Markets

Our shares are listed and traded under the symbol “GSOL” on the Nasdaq Global Select Market.

ITEM 10. ADDITIONAL INFORMATION

Memorandum and Bye-Laws

The following statements are brief descriptions of our common shares, and the more important rights and privileges of our shareholders conferred by the laws of Bermuda and our memorandum of association and bye-laws, and is based upon the advice of Appleby, our Bermuda counsel. These statements are not complete, do not purport to be a comprehensive description of all the rights and privileges of our shareholders conferred by the laws of Bermuda or our memorandum of association and bye-laws, and are qualified in their entirety by reference to our memorandum of association and bye-laws and the laws of Bermuda.

Description of Shareholder Rights Attaching to Our Common Shares

The Company is registered with the Registrar of Companies in Bermuda with registration number 27310. It has the usual objects and powers of a Bermuda exempt company, found in clauses 6 and 7 of its memorandum of association, empowering it to, among other things, deal in goods of all kinds, and to acquire, hold and dispose of all forms of real property outside Bermuda, and personal property worldwide, including intellectual property. Our authorized share capital consists of 75,000,000 common shares, par value \$0.01 per share. As of February 28, 2014, we had a total of 52,718,691 common shares issued, comprised of 34,722,691 common shares outstanding and 17,996,000 common shares held as treasury shares.

- Holders of common shares have no preemptive, redemption, conversion or sinking fund rights.
- Holders of common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares and do not have any cumulative voting rights.
- In the event of our liquidation, dissolution or winding-up, the holders of common shares are entitled to share ratably in our assets, if any, remaining after the payment of all our debts and liabilities.
- Our issued and outstanding common shares are fully paid and non-assessable. Non-assessable as that term is understood under Bermuda law means in relation to fully-paid shares of a company and subject to any contrary provision in any agreement in writing between such company and the holder of shares, that no shareholder shall be obliged to contribute further amounts to the capital of the company, either in order to complete payment for its shares, to satisfy claims of creditors of the company, or otherwise; and no shareholder shall be bound by an alteration of the memorandum of association or bye-laws of the Company after the date on which he became a shareholder, if and so far as the alteration requires him to take, or subscribe for additional shares, or in any way increases his liability to contribute to the share capital of, or otherwise to pay money to, the company.
- Additional authorized but unissued common shares may be issued by our Board of Directors without the approval of the shareholders.
- The holders of common shares (other than the Company as holder of treasury shares) will receive dividends, if any, as may be declared by our Board of Directors out of funds legally available for purposes. We may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:
 - we are, or after the payment would be, unable to pay our liabilities as they become due; or
 - the realizable value of our assets after such payment or distribution would be less than our liabilities. (However, in order to avoid the possibility of an unauthorised reduction of capital, a company should act as if the old limitation of section 54(1)(b) of the Companies Act 1981 of Bermuda (as amended) (the “Companies Act”) applied, i.e. a company should not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.)

The following is a summary of provisions of Bermuda law and our organizational documents, including our bye-laws. We refer you to our memorandum of association and bye-laws, copies of which have been filed with the SEC. You are urged to read these documents for a complete understanding of the terms of the memorandum of association and bye-laws.

Share Capital and Treasury Shares

Our authorized capital consists of one class of common shares. Under our bye-laws, our Board of Directors has the power to issue any authorized and unissued shares on such terms and conditions as it may determine. Any shares or class of shares may be issued with such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as we may from time to time by resolution of the shareholders prescribe.

As of February 28, 2014, we had a total of 52,718,691 common shares issued, comprised of 34,722,691 common shares outstanding and 17,996,000 common shares held by the Company as treasury shares; all of our issued common shares were fully paid; and apart from the common shares held as treasury shares, no other shares of the Company were held by the Company or its subsidiaries.

For a history of our share capital for the last three years, please see Note 20 to the Consolidated Financial Statements included in this Annual Report.

Voting Rights

Save where a greater majority is required by the Companies Act or our bye-laws, under Bermuda law and our bye-laws, questions brought before a general meeting are decided by a simple majority vote of shareholders present or represented by proxy. Subject to any rights or restrictions attached to any class of shares, each shareholder is entitled to one vote for each share held. Matters will be decided by way of votes cast on a show of hands, unless a poll is demanded.

If a poll is demanded, each shareholder who is entitled to vote and who is present in person or by proxy has one vote for each common share entitled to vote on such question. A poll may only be demanded under our bye-laws by:

- the chairman of the meeting;
- at least three shareholders present in person or represented by proxy;
- any shareholder or shareholders present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all shareholders having the right to vote at such meeting; or
- a shareholder or shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being common shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all such common shares conferring such right.

No shareholder shall, unless our Board of Directors otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by that shareholder in respect of all shares held by such shareholder have been paid.

Dividend Rights

Under Bermuda law, a company may declare and pay a dividend unless there are reasonable grounds for believing that the company is, or after the payment would be, unable to pay its liabilities as they become due or that the realizable value of the company's assets would thereby be less than its liabilities. (However, in order to avoid the possibility of an unauthorised reduction of capital, a company should act as if the old limitation of section 54(1)(b) of the Companies Act applied, i.e. a company should not declare or pay a dividend, if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.)

Under our bye-laws, each share is entitled to a dividend if, as and when dividends are declared by our Board of Directors. Our Board of Directors may determine that any dividend may be paid in cash or will be satisfied in paying up in full in our common shares to be issued to the shareholders credited as fully paid or partly paid or partly in one way and partly the other. Our Board of Directors may also pay any fixed cash dividend which is payable on any of our common shares half-yearly or on other dates, whenever our position, in the opinion of our Board of Directors, justifies such payment.

Dividends, if any, on our common shares will be paid at the discretion of our Board of Directors if it appears to our Board of Directors to be justified by the position of the Company and will depend on our future operations and earnings, capital requirements, surplus and general financial conditions, as our Board of Directors may deem relevant. No dividend shall be paid to the Company in respect of shares held by the Company as treasury shares.

We have not paid any cash dividends on our common shares since October 1999. Previously, we paid cash dividends as a private company as a means to distribute earnings to shareholders. Beginning in October 1999, we have focused on the implementation of our growth plans, and we have retained earnings in furtherance of such plans. Our Board of Directors reviews its options for the use of cash on a regular basis, including whether or not to pay any cash dividends.

Purchase by a Company of its Own Common Shares

We may purchase our own common shares out of the capital paid up on the common shares in question or out of funds that would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of common shares made for the purposes of the purchase. We may not purchase our shares if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due, or as a result, our issued share capital would be reduced below the minimum capital specified in our memorandum of association.

However, to the extent that any premium is payable on the purchase, the premium must be provided out of the funds of a company that would otherwise be available for dividend or distribution or out of a company's share premium account. Any common shares purchased by a company are treated as cancelled and the amount of the company's issued capital is diminished by the nominal value of the shares accordingly but shall not be taken as reducing the amount of the company's authorized share capital. However, a company may also purchase its own shares, to be held as treasury shares, if authorized to do so by its memorandum of association or bye-laws. A proposed resolution for the amendment of our bye-laws, to authorize us to purchase our own shares, to be held as treasury shares, was put forth to our shareholders for approval at our Annual General Meeting, held on June 18, 2007 (Hong Kong time). The resolution was approved by our shareholders, so we are now able to acquire our own shares and hold them as treasury shares, subject always of course to the provisions of the Companies Act, to our bye-laws, to the securities laws of the United States and to the rules of Nasdaq. On February 4, 2008, we announced via a press release that our Board of Directors had authorized a program to repurchase up to \$50 million of our common shares in the open market or through private transactions, from time to time, as business conditions warrant, but on the basis that we are not obligated to repurchase any specific number of shares and that the program may be suspended or terminated at any time at our management's discretion. The timing and amount of the repurchase of shares (if any) will be determined by our management, based on its evaluation of market conditions and other factors. As of February 28, 2014, no repurchases of our common shares have been made under this program.

On November 21, 2008, we commenced a tender offer for the purchase of up to 6.25 million of our common shares, or approximately 13.4% of our total common shares then issued and outstanding, at a total purchase price of up to \$50.0 million or \$8.00 per share. The tender offer expired on December 19, 2008. Our common shares that were properly tendered and not properly withdrawn were greater than the number of shares that we offered to purchase. Consequently, we accepted for purchase on a pro rata basis 6.25 million of the shares properly tendered and not properly withdrawn by shareholders. We are holding the repurchased shares as treasury shares, which are disclosed as such on our balance sheet as of December 31, 2013.

On June 30, 2010, we commenced a tender offer for the purchase of up to 11,121,000 of our common shares, or approximately 24.9% of our total issued and outstanding common shares as of April 30, 2010, at a total purchase price of up to \$100.089 million or \$9.00 per share. The tender offer expired on July 28, 2010. Our common shares that were properly tendered and not properly withdrawn were greater than the number of shares that we offered to purchase. Consequently, we accepted for purchase on a pro rata basis 11,107,023 and on an "odd lot" basis 13,977 of the shares properly tendered and not properly withdrawn by shareholders. We are holding the repurchased shares as treasury shares, which are disclosed as such on our balance sheet as of December 31, 2013.

On March 13, 2014, we announced our intention to commence a tender offer before the end of April 2014, with expected completion before the end of May 2014, for the purchase of up to 5,000,000 of our common shares, or approximately 14.4% of our total issued and outstanding common shares as of February 28, 2014, at a total purchase price of up to \$50 million, or \$10.00 per share.

Preemptive Rights

Our bye-laws do not provide the holders of our common shares with preemptive rights in relation to any issues of common shares held by us or any transfer of our shares.

Variation of Rights

We may issue more than one class of shares and more than one series of shares in each class. If we have more than one class of shares, the rights attached to any class of shares may be altered or abrogated either:

- with the consent in writing of the holders of not less than seventy-five percent of the issued shares of that class; or
- with the sanction of a resolution passed at a separate general meeting of the holders of such shares, voting in person or by proxy, at which a quorum is present.

Our bye-laws provide that a quorum for such a meeting shall be two persons present in person or by proxy representing a majority of the shares of the relevant class. Our bye-laws also specify that the creation or issue of shares ranking on parity with existing shares will not, subject to any statement to the contrary in the terms of issue of those shares or rights attached to those shares, vary the special rights attached to existing shares.

Change of Control

Our bye-laws have two provisions that could delay a change of control. The first is the classified board, which means that only a portion of the directors come up for election every year, thus delaying a change in the composition of our Board of Directors. The second is the “Business Combinations” bye-law (bye-laws 155-163), which requires the approval of sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of shareholders voting at a general meeting, over and above any other approvals required by our bye-laws to permit certain mergers, amalgamations or similar transaction to go forward.

Transfer of Common Shares

Subject to the Companies Act and the “Transfer Restrictions” section below, under our bye-laws, a shareholder may transfer title to all or any of his shares by completing an instrument of transfer in the usual common form or in such other form as our Board of Directors may approve.

Transfer Restrictions

Our Board of Directors may in its absolute discretion and without assigning any reason refuse to register the transfer of any share that is not fully paid.

Our Board of Directors may refuse to register an instrument of transfer of a share unless it:

- is duly stamped, if required by law, and lodged with us;
- is accompanied by the relevant share certificate and such other evidence of the transferor’s right to make the transfer as our Board of Directors shall reasonably require;
- has obtained, where applicable, permission of the Bermuda Monetary Authority; and
- is in respect of only one class of shares.

A “blanket” authorization has been obtained from the Bermuda Monetary Authority for all transfers of our common shares between persons who are not resident in Bermuda for exchange control purposes, provided our common shares remain listed on an “appointed stock exchange” (which includes listing on Nasdaq).

Transmission of Shares

In the event of the death of a shareholder, the survivor or survivors, where the deceased shareholder was a joint holder, or the estate representative of such shareholder, if the deceased was a sole holder, including executors and administrators, shall be the only persons recognized by us as having any title to the shareholder’s shares.

Disclosure of Interests

Our bye-laws provide that a director who has at least a five percent interest, directly or indirectly, in an entity that is interested in a contract or proposed contract or arrangement with us, shall declare the nature of such interest at the first opportunity at a meeting of our Board of Directors, or by writing to our Board of Directors. If the director has complied with the relevant sections of the Companies Act and our bye-laws with regard to the disclosure of his interest, the director may vote at a meeting of our Board of Directors or a committee thereof on a contract, transaction or arrangement in which that director is interested and he will be taken into account in ascertaining whether a quorum is present.

Under Bermuda law, the Company may not make loans to its directors unless approved by a majority of the shareholders holding in the aggregate not less than 90% of the total voting rights of all the members having the right to vote at a shareholders' meeting.

Rights in Liquidation

Under Bermuda law, in the event of liquidation, dissolution or winding-up of a company, after satisfaction in full of all claims of creditors and subject to the preferential rights accorded to any series of preference shares, the proceeds of such liquidation, dissolution or winding-up are distributed among the holders of shares in accordance with a company's bye-laws.

Under our bye-laws, if we are wound up, the liquidator may, with the sanction of a resolution of shareholders from us and any sanction required by the Companies Act, divide amongst the shareholders in specie or kind the whole or part of our assets, whether they shall consist of property of the same kind or not, and may for such purposes set such values as he deems fair upon any property to be divided as set out above and may determine how such division shall be carried out as between the shareholders.

Meetings of Shareholders

Under Bermuda law, a company is required to convene at least one general shareholders' meeting as an Annual General Meeting per calendar year, unless according to the provisions of the Companies Act, shareholders elect to dispense with the holding of annual general meetings. The directors of a company, notwithstanding anything in its bye-laws, shall, on the requisition of the shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the company carrying the right to vote, proceed duly to convene a special general meeting.

Under the Companies Act, our Board of Directors may convene a special general meeting whenever in its judgment such a meeting is necessary. Unless the bye-laws of a company specify longer period otherwise, Bermuda law requires that shareholders be given at least five days' notice of a meeting of the company. Our bye-laws extend this period to provide that at least 21 days' written notice of a general meeting must be given to those shareholders entitled to receive such notice. The accidental omission to give notice to or non-receipt of a notice of a meeting by any person does not invalidate the proceedings of a meeting.

Our bye-laws provide that no business can be transacted at a general meeting unless a quorum of at least two shareholders representing more than 50% of the issued shares of the company are present in person or by proxy and entitled to vote. A shareholder present at a general meeting or a meeting of a class of shareholders in person or by proxy shall be deemed to have received notice of the meeting.

Under our bye-laws, notice to any shareholders may be delivered either personally, by electronic means or by sending it through the post, by airmail where applicable, in a pre-paid letter addressed to the shareholder at his address as appearing in the register of shareholders or by delivering it to, or leaving it at such registered address or, in the case of delivery by electronic means, by delivering it to the shareholder at such address as may be provided to the company by the shareholder for such purpose. A notice of a general meeting is deemed to be duly given to the shareholder if it is sent to him by cable, telex, telecopier or electronic means. Any such notice shall be deemed to have been served twenty-four hours after its dispatch.

Access to Books and Records and Dissemination of Information

Under Bermuda law, members of the general public have the right to inspect the public documents of a company available at the office of the Bermuda Registrar of Companies. These documents include a company's certificate of incorporation, its memorandum of association (including its objects and powers) and any alteration to the memorandum of association and address of registered office and resident representative.

Our shareholders and directors have the additional right to inspect our bye-laws, our minute books and our audited financial statements, which, unless agreed by all shareholders and directors, must be presented at an annual general meeting. For the avoidance of doubt, with respect to the aforesaid inspection of our minute books, our shareholders only have the right under our bye-laws to inspect minutes of shareholder meetings.

Our bye-laws provide that our register of shareholders is required to be open for inspection during normal business hours by shareholders without charge and to members of the general public on the payment of a fee. A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish one or more branch register(s) outside of Bermuda. We have established a branch register with our transfer agent, Computershare Trust Company, N.A., 250 Royall Street, Canton, MA 02021, U.S.A.

Under Bermuda law, a company is required to keep at its registered office a register of its directors and officers that is open for inspection for not less than two hours in each day by members of the public without charge. Our bye-laws extend this obligation to provide that the register of directors and officers be available for inspection by the public during normal business hours. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Election or Removal of Directors

Our bye-laws provide that the number of directors will be such number not less than two, as our shareholders by resolution may from time to time determine. A director of a Bermuda company will serve until his successor is appointed or his prior removal in the manner provided by the Companies Act or the bye-laws of a Bermuda company. Our bye-laws provide that at each annual general meeting one-third of the directors will retire from office on a rotational basis based on length of time served. A director is not required to hold shares in a company to qualify to join our board, and once appointed may sit on our board regardless of age, unless the bye-laws provide otherwise. Our bye-laws do not require qualifying shares to join our board and do not set age limits for directors who serve on our board. All directors must provide written acceptance of their appointment within thirty days of their appointment.

Our Board of Directors has the power at any time and from time to time to appoint any individual to be a director so as to fill a casual vacancy. As set forth in our bye-laws, a casual director so appointed shall hold office only until the next following annual general meeting, and if not reappointed at such annual general meeting, shall vacate office. Our Board of Directors may approve the appointment of alternate directors.

We may, in a special general meeting called for this purpose, remove a director, provided notice of such meeting is served upon the director concerned not less than fourteen days before the meeting and he shall be entitled to be heard at that meeting.

The office of a director will be vacated in the event of any of the following:

- if he resigns his office by notice in writing to be delivered to our registered office or tendered at a meeting of our Board of Directors;
- if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health, and our Board of Directors resolves that his office is vacated;
- if he becomes bankrupt under the law of any country or compounds with his creditors;
- if he is prohibited by law from being a director;
- if he ceases to be a director by virtue of the Companies Act or our bye-laws, or is removed from office pursuant to our bye-laws;
- if he (or his alternate director, if any) is absent from more than three consecutive Board of Directors' meetings without the permission of our Board of Directors and our Board of Directors resolves that his office be vacated; or
- if he is requested to resign in writing by not less than three quarters of the other directors.

Amendment of Memorandum of Association and Bye-Laws

Bermuda law provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of the shareholders of which due notice has been given. An amendment to a memorandum of association does not require the consent of the Minister of Finance save for specific circumstances, for example, the adopting of any objects which constitute restricted business activities under the Companies Act.

Under Bermuda law, the holders of an aggregate of no less than 20% in par value of a company's issued share capital or any class of issued share capital have the right to apply to the Supreme Court of Bermuda (the "Bermuda Court") for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment that alters or reduces a company's share capital as provided in the Companies Act. Where an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda Court. An application for the annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of the person entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by persons voting in favor of the amendment.

Our bye-laws provide that they may be amended in the manner provided for in the Companies Act. The Companies Act provides that the directors may amend the bye-laws, provided that any such amendment shall be operative only to the extent approved by the shareholders.

Transactions with Interested Shareholders

Our bye-laws prohibit us from engaging in a business combination with any interested shareholder unless the business combination is approved by at least two-thirds of the holders of our voting shares (other than shares held by that interested shareholder or any affiliate or associate of such interested shareholder), voting together as a single class, or by a simple majority if the business combination is approved by a majority of continuing directors or if certain prescribed conditions are met assuming that we will receive fair market value in exchange for such business combination. In this context, a "business combination" includes, among others, (i) any mergers, (ii) any asset sales and other material transactions resulting in a benefit to the interested shareholder or any of its affiliates or associates or (iii) the adoption of a plan for our liquidation or dissolution; an "affiliate" or an "associate" have respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act; a "continuing director" is a member of our Board of Directors that is not an affiliate or associate or representative of an interested shareholder and was a member of our board prior to such person becoming an interested shareholder; and an "interested shareholder" is any person (other than us or any of our subsidiaries, any employee benefit or other similar plan or any of our shareholders that received our shares in connection with our share exchange in 2000 prior to the listing of our shares on Nasdaq) that owns or has announced its intention to own, or with respect to any of our affiliates or associates, within the prior two years did own, at least 15% of our voting shares.

Appraisal Rights and Shareholder Suits

Amalgamation and Merger

The Companies Act provides that, subject to the terms of a company's bye-laws, both the amalgamation and the merger of a Bermuda company with another company requires the amalgamation agreement or the merger agreement (as applicable) to be approved by the board of directors and at a meeting of the shareholders by a majority vote of seventy-five percent of the members present and entitled to vote at that meeting in respect of which the quorum shall be two persons holding or representing at least one-third of the issued shares of the company or class, as the case may be.

Our bye-laws alter the majority vote required and provide that any resolution submitted for the consideration of shareholders at any general meeting to approve a proposed amalgamation with another company also requires the approval of two-thirds of the votes of disinterested shareholders cast at such meeting.

Under Bermuda law, in the event of an amalgamation or a merger of a Bermuda company, a shareholder who did not vote in favor of the amalgamation or the merger and who is not satisfied that fair value has been offered for such shareholder's shares, may apply to the Bermuda Court within one month of notice of the meeting of shareholders to appraise the fair value of those shares.

Class Actions and Derivative Actions

Class actions and derivative actions are generally not available to shareholders under Bermuda law. Under Bermuda law, a shareholder may commence an action in the name of a company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company, or is illegal or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than those who actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Bermuda Court, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders, by other shareholders or by the company.

Capitalization of Profits and Reserves

Under our bye-laws, our Board of Directors may resolve to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of our share premium account; and accordingly make that amount available for distribution among the shareholders who would be entitled to it if distributed by way of a dividend in the same proportions and on the footing that the same may be paid not in cash but be applied:

- in or towards paying up amounts unpaid on any of our shares held by the shareholders;
- in payment up in full of our unissued shares, debentures or other obligations, to be allotted and credited as fully paid amongst such shareholders; or
- partly in one way and partly in the other.

As a proviso to the foregoing, the share premium account may be applied only in paying up unissued shares to be issued to shareholders credited as fully paid, and provided, further, that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

Registrar or Transfer Agent

Our transfer agent and branch registrar is Computershare Trust Company, N.A. In addition to a register held by Computershare Trust Company, N.A., a register of holders of the shares is maintained by Appleby Services (Bermuda) Ltd. in Bermuda located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

Personal Liability of Directors and Indemnity

The Companies Act requires every officer, including directors, of a Bermuda company in exercising powers and discharging duties, to act honestly and in good faith with a view to the best interests of the company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Companies Act further provides that any provision whether contained in the bye-laws of a Bermuda company or in any contract between the company and any officer, including a director, or any person employed by the company as auditor, exempting such officer or person from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him, in respect of any fraud or dishonesty of which he may be guilty in relation to the company, shall be void.

Under our bye-laws, every director, officer, resident representative and committee member shall be indemnified out of our funds against all liabilities, loss, damage or expense, including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable, incurred or suffered by him as director, officer, resident representative or committee member; provided that the indemnity contained in the bye-laws will not extend to any matter which would render it void under the Companies Act as discussed above.

Our bye-laws also contain provisions for the advancement of funds to our directors, officers and other indemnified persons for expenses incurred in defending legal proceedings against them arising from the course of their duties. At our Annual General Meeting on June 11, 2008, our shareholders approved amendments to our bye-laws to provide more specifically that if any fraud or dishonesty on the part of the director, officer or other indemnified person concerned is proved, any such funds advanced to him or her must be repaid. These amendments conformed our bye-laws with changes to the Companies Act.

Material Contracts

We do not believe any of our outstanding contracts to be material to the operation of our company, taken as a whole.

Exchange Controls

Bermuda Law

We have been designated as a non-resident under the Exchange Control Act of 1972 by the Bermuda Monetary Authority. This designation will allow us to engage in transactions in currencies other than the Bermuda dollar.

The Registrar of Companies in Bermuda has neither approved nor disapproved of the securities to which this document relates, nor passed on the accuracy or adequacy of this document and accepts no responsibility for the financial soundness of any proposals or the correctness of any statements made or opinions expressed with regard to such securities. Approvals or permissions received from the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving such approvals or permissions, the Bermuda Monetary Authority will not be liable for our performance or default or for the correctness of any opinions or statements expressed in this document.

The transfer of common shares between persons regarded as resident in Bermuda for exchange control purposes and the issue of common shares to such persons may be effected without specific consent under the Exchange Control Act and regulations thereunder. Issues and transfers of common shares to any person regarded as non-resident in Bermuda for exchange control purposes require specific prior approval from the Bermuda Monetary Authority under the Exchange Control Act.

There are no limitations on the rights of persons regarded as non-resident of Bermuda for foreign exchange control purposes owning our shares. Because we have been designated as a non-resident for Bermuda exchange control purposes, there are no restrictions on our ability to transfer funds, other than funds denominated in Bermuda dollars, in and out of Bermuda or to pay dividends to non-Bermuda residents who are holders of our shares, other than in respect of local Bermuda currency.

Under Bermuda law, share certificates are only issued in the names of corporations, partnerships or individuals. In the case of an applicant acting in a special capacity, for example an executor or a trustee, certificates may, at the request of the applicant, record the capacity in which the applicant is acting.

Notwithstanding the recording of any such special capacity, we are not bound to investigate or incur any responsibility in respect of the proper administration of any such estate or trust.

We will take no notice of any trust applicable to any of our common shares whether or not we had notice of such trust.

- As an “exempted company”, we are exempt from Bermuda laws which restrict the percentage of share capital that may be held by non-Bermudians. However, as an exempted company, subject to the Companies Act, we are generally not permitted to participate in most business transactions and activities of any kind or type conducted from within Bermuda, including those which involve land in Bermuda, except in furtherance of our business carried on outside Bermuda or under a license granted by the Minister of Finance of Bermuda.

Taxation

Bermuda Taxation

This summary is based on laws, regulations, treaty provisions and interpretations now in effect and available as of the date of this Form 20-F. The laws, regulations, treaty provisions and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of our common shares. These laws, regulations and treaty provisions are also subject to various interpretations, and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below.

We have received from the Minister of Finance a written undertaking under the Exempted Undertakings Tax Protection Act, 1966 (as amended) of Bermuda, to the effect that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to us or to any of our operations or to our shares, debentures or other obligations until March 31, 2035. These assurances are subject to the proviso that they are not construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the imposition of property taxes on any company owning real property or leasehold interests in Bermuda.

Currently there is no Bermuda withholding tax on dividends that may be payable by us in respect to the holders of our common shares. No income, withholding or other taxes or stamp duty or other duties are imposed upon the issue, transfer or sale of the shares or on any payment thereunder. There is no reciprocal income tax treaty affecting us exists between Bermuda and the United States.

As an exempted company, we and our Bermuda subsidiaries are liable to pay in Bermuda an annual government fee calculated on a sliding scale basis by reference to our and our Bermuda subsidiaries' respective assessable capital, which is the aggregate of our and our Bermuda subsidiaries' respective authorized share capital and the premium on our and our Bermuda subsidiaries' respective issued shares. For each of the years 2013 and 2014, the applicable annual government fees were US\$10,455.00 per year for us and US\$1,995.00 per company per year for each of our two Bermuda subsidiaries. These amounts have already been paid.

Documents on Display

Where You May Find More Information

We are required to comply with the reporting requirements of the Exchange Act applicable to a foreign private issuer. We will file annually a Form 20-F no later than four months after the close of our fiscal year, which is December 31. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. We will furnish our shareholders with annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with IFRS as issued by the IASB. We may, although we are not obligated to do so, furnish our shareholders with quarterly reports by mail with the assistance of a corporate services provider, which may include unaudited interim financial information. We may discontinue providing quarterly reports at any time without prior notice to our shareholders.

Our reports and other information, when so filed, may be inspected and copied at the public reference facilities maintained by the Securities and Exchange Commission at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Copies of such material may be obtained from the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates.

These reports and other information may also be inspected at the offices of the NASDAQ Global Market, 1735 K Street, N.W., Washington, D.C. 20006.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, and cash flow interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance.

Risk management is carried out by a group of senior management personnel. This particular group identifies, evaluates and takes appropriate measures to alleviate financial risks in close co-operation with our operating units. The Board of Directors provides direction for overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

We operate internationally and are exposed to foreign currency risk arising from various currency exposures, primarily with respect to the Chinese Renminbi ("RMB"). Foreign currency risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations. A majority of our contracts with customers are denominated and priced in foreign currencies. The conversion of these contract proceeds to USD could result in losses and reflects the foreign exchange risk assumed by us between contract signing and the conversion of cash into USD.

We have not engaged in foreign currency hedging activities. Historically a majority (ranging between 98% to 99%) of the revenue is denominated in USD or is received in the Hong Kong Dollar (“HKD”), RMB or New Taiwan Dollar (“TWD”). HKD is currently pegged to the USD while RMB has been relatively stable historically but has strengthened during the past few years against the USD. TWD is also relatively stable against the USD.

We have certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of our foreign operations is managed primarily through identification of the specific risks and taking appropriate measures to alleviate the risk.

At December 31, 2013, if the RMB had weakened/strengthened by 3% (2012: 1%; 2011: 4%) against the USD with all other variables held constant, profit before tax for the year would have been \$2.9 million (2012: \$1.0 million; 2011: \$2.4 million) lower/higher as a result of foreign currency losses/gains on translation of RMB denominated monetary assets and liabilities.

(ii) Cash flow and fair value interest rate risk

We had no interest-bearing borrowings as of December 31, 2013 or 2012. Our exposure to changes in market interest rates is mainly attributable to our interest-bearing assets including available-for-sale financial assets, term deposits with banks and cash and cash equivalents. As of December 31, 2013 and December 31, 2012, the term deposits with banks are all fixed interest rate instruments and the available-for-sale securities are highly liquid and are short term in nature. Therefore interest rate risk is considered to be insignificant.

(iii) Credit risk

Credit risk arises from investments in checking and savings accounts, debt securities issued by U.S. Treasury, term deposits with banks, available-for-sale securities, accounts receivable and receivables from sales representatives.

We maintain checking, money market accounts, term deposits with banks, debt securities issued by U.S. Treasury held in custody with banks and available-for-sale securities with high quality institutions. We have a large number of customers, operate in different geographic areas and generally do not require collateral on accounts receivable or receivables from sales representatives. We generally collect in advance from customers in markets with higher credit risk. In addition, we are continuously monitoring the credit transactions and maintain impairment allowance where necessary.

Our maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Available-for-sale financial assets are highly liquid instruments maintained with reputable institutions. Accounts receivable and receivables from sales representatives that are neither past due nor impaired are substantially companies with a good collection track record with us.

In the years ended December 31, 2013 and December 31, 2012, we derived more than 90% of our revenue from customers in the Asia-Pacific region. We expect that a majority of our future revenue will continue to be generated from customers in this region. Future political or economic instability in the Asia-Pacific region could negatively impact our business.

(iv) Liquidity risk

Cash flow forecasting is performed in our operating entities and aggregated by our finance personnel. Our finance personnel monitor rolling forecasts of our liquidity requirements to ensure it has sufficient cash to meet operational needs.

We invest our excess cash in term deposits with commercial banks, U.S. Treasury securities and available-for-sale securities to generate income from interest received as well as capital gains, while the funds are held to support our business.

Generally, we hold securities with specified maturity dates such as U.S. Treasury Bills until their maturity. We do not engage in buying and selling of securities with the objective of generating profits on short-term differences in price or for other speculative purposes. Our objective is to invest to support our capital preservation strategy.

Our financial liabilities which consist of accounts payable and accrued liabilities are due within 12 months and their contractual undiscounted cash flows approximate their carrying amount as the impact of discounting is not significant.

(v) Capital risk management

Our objectives when managing capital are to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, we may return capital to shareholders and issue new shares. Currently we have no external borrowings and are not subject to any externally imposed capital requirements. We define the total equity as our capital.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES
(Not applicable)

PART II

All financial information contained in this document is expressed in United States Dollars, unless otherwise stated.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES
(Not applicable)

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS
(Not applicable)

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, management, with the participation of our Executive Chairman and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Executive Chairman and Chief Financial Officer, as appropriate to allow timely decisions regarding our required disclosure.

Based on the foregoing, management with the participation of the Executive Chairman and Chief Financial Officer have concluded that, as of December 31, 2013, the end of the period covered by this report, the Company's disclosure controls and procedures were effective.

Report of Management on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) under the Exchange Act.

Internal control over financial reporting refers to a process designed by, or under the supervision of, our Executive Chairman and Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2013 using the 1992 framework set forth in the report of the Treadway Commission's Committee of Sponsoring Organizations ("COSO"), "Internal Control — Integrated Framework."

Based on the foregoing, management has concluded that our internal control over financial reporting was effective as of December 31, 2013. Our independent registered public accounting firm, PricewaterhouseCoopers LLP, has issued an audit report on our internal control over financial reporting, which is included herein.

Changes to Internal Controls

Management has evaluated, with the participation of our Executive Chairman and Chief Financial Officer, whether any changes in our internal control over financial reporting that occurred during our last fiscal year have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on the evaluation we conducted, management has concluded that no such changes have occurred.

ITEM 15T. CONTROLS AND PROCEDURES - (Not applicable)

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee financial expert is Roderick Chalmers, an independent director. Our other three audit committee members are David F. Jones, James Watkins and Eddie Heng Teng Hua, who are also independent directors.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Ethics that applies to our directors, officers (including our chief executive officer, chief financial officer, chief accounting officer or controller and other persons performing similar functions) and employees. Our Code of Ethics is available on our website at www.corporate.globalsources.com.

During 2013, the Company did not grant any waiver, including any implicit waiver, from any provision of the Code of Ethics to the executive chairman, the chief executive officer, chief financial officer, chief accounting officer or controller or other person performing similar functions.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers LLP served as our independent registered public accounting firm from August 2008.

The following table shows the aggregate audit fees, audit-related fees, tax fees and all other fees for the services provided by PricewaterhouseCoopers LLP for 2013 and 2012:

	Year ended December 31,	
	2013	2012
Audit fees	\$ 1,004,697	\$ 1,033,002
Audit-related fees	13,545	28,651
Total	\$ 1,018,242	\$ 1,061,653
Tax fees	59,764	28,577
All other fees	10,297	-
Total fees	\$ 1,088,303	\$ 1,090,230

Audit fees include fees associated with the review of the Company's annual financial statements and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

The audit-related fees billed to the Company by PricewaterhouseCoopers LLP for the fiscal year ended December 31, 2012, were fees for services relating to accounting workshops and training conducted for the Company. The audit-related fees for the fiscal year ended December 31, 2013 were fees for services relating to accounting workshops and training conducted for the Company.

Tax fees for the fiscal year ended December 31, 2012 for tax compliance, tax advice and tax planning consisted of review of tax returns for six subsidiaries of the Company and filing of quarterly value added tax returns for a subsidiary. For the fiscal year ended December 31, 2013, such fees consisted of review of tax returns for six subsidiaries of the Company, filing of quarterly value added tax returns for a subsidiary, assistance with value added tax matters in a local jurisdiction and permissible tax advice to a subsidiary.

All other fees for the fiscal year ended December 31, 2013 consisted of permissible advice on an information technology vendor contract.

Audit Committee's Pre-approval Policies and Procedures

Our Audit Committee nominates and engages our independent registered public accounting firm to audit our financial statements. Our Audit Committee also requires management to obtain the Audit Committee's approval on a case-by-case basis before engaging our independent registered public accounting firm to provide any audit or permitted non-audit services to us or our subsidiaries.

- ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES – (Not applicable)**
- ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS – (Not applicable)**
- ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT – (Not applicable)**
- ITEM 16G. CORPORATE GOVERNANCE – (Not applicable)**
- ITEM 16H. MINE SAFETY DISCLOSURE – (Not applicable)**

PART III

All financial information contained in this document is expressed in United States Dollars, unless otherwise stated.

ITEM 17. FINANCIAL STATEMENTS
(Not applicable)

ITEM 18. FINANCIAL STATEMENTS

As provided in Item 8, the Company has presented its financial statements in accordance with International Financial Reporting Standards as issued by the IASB in lieu of Item 18.

ITEM 19. EXHIBITS

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
1.1	Memorandum of Association of the Company. **
1.2	Bye-laws of the Company.
1.3	Amendments to the bye-laws of Global Sources Ltd., as approved at the May 6, 2002 Annual General Meeting of Shareholders. ++
2.1	Specimen Certificate. **
4.2	Form of executive officer employment agreement. *
4.3	Employment Agreement dated November 1, 1999, by and between Trade Media Holdings Limited and Merle Hinrich. *
4.4	Amendment to Employment Agreement dated January 19, 2000, between Trade Media Holdings Limited and Merle Hinrich. *
4.5	Employment Agreement dated as of January 29, 2000, by and between LER Corporation and Merle Hinrich. *
4.6	Form of Restricted Stock Award and Agreement, dated as of January 29, 2000, by and between LER Corporation and Merle Hinrich. *
4.7	Amendment No.1 to Restricted Stock Award and Agreement dated as of February 29, 2000, by and between LER Corporation and Merle Hinrich. *
4.18	Form of The Global Sources Employee Equity Compensation Plan No. IV. ***
4.19	Form of The Global Sources Employee Equity Compensation Plan No. V. ***
4.20	Form of The Global Sources Employee Equity Compensation Plan No. VI. ****
4.21	Form of The Global Sources Employee Equity Compensation Plan No. VII. *****
4.22	Global Sources' Code of Ethics (updated effective as of January 1, 2014) (approved and adopted by the Board of Directors on December 16, 2013).
4.23	Form of The Global Sources Employee Equity Compensation Plan No. V (Amended). *****
4.24	Placement Agency Agreement dated March 17, 2005, between the Company and W.R. Hambrecht & Co. LLC. #
4.25	Form of Purchase Agreement between the Company and certain purchasers of the common shares. #
4.26	Shenzhen International Chamber of Commerce Tower Subscription Agreement dated July 5, 2004 (English translation). ++++
4.27	Real Estate Sales Contract of Shenzhen (Presale) dated August 31, 2004 (English translation). ++++
4.28	Supplemental Agreement to the Contract on Purchasing Shenzhen International Commercial Chamber Center Premises dated August 31, 2004 (English translation). ++++
4.29	Summary Table of Property Units and Payment Amounts. ++++
4.30	Supplementary Agreement Concerning Alteration of Payment Method dated December 3, 2004 (English translation). ++++
4.31	Sale and Purchase Agreement, dated May 24, 2006, by and between IDG Technology Venture Investment, Inc., Trade Media Holdings Limited and International Data Group, Inc. ~
4.32	Call Option Deed Relating to Shares in HC International, Inc., dated May 24, 2006, between Trade Media Holdings Limited and other parties thereto. ~
4.33	Call Option Deed Relating to Equity Interest in Beijing Huicong International Information Co., Ltd., dated May 24, 2006, between Trade Media Holdings Limited and HC Construction Co., Ltd. ~
4.34	The Global Sources Ltd. Directors Purchase Plan (as of 5 November 2005). +++++
4.36	The Global Sources Share Grant Award Plan. ++++++
4.37	The Global Sources Retention Share Grant Plan. ++++++
4.38	Sale and Purchase Agreement, dated December 10, 2007, by and between Global Sources Ltd., Trade Media Holdings Limited and IDG Technology Venture Investment III, L.P. ++++++
4.39	The Global Sources Directors Share Grant Award Plan. ++++++
4.40	Directors Purchase Plan (updated effective as of January 1, 2009). ++++++
4.41	Real Estate Sales Contracts of Shanghai (For Office Building) and Supplementary Terms (English translation). *****
4.42	Summary Table of Property Units and Payment Amounts. *****
4.45	The Global Sources Retention Share Grant Plan II (amended effective as of May 1, 2012). ++++++
4.46	The Global Sources Equity Compensation (2007) Master Plan (amended effective as of January 1, 2012) (as extended to December 31, 2017). ++++++
4.47	Letter of intent for assignment of property of Shenzhen Excellence Times Square. *****
4.48	Agreement for sale and purchase of property in Vita Tower, Hong Kong. *****
4.49	Agreement for sale and purchase of a portion of property in Southmark building, Hong Kong. *****
4.50	Second-Hand Real Estate Sales Contract of Shenzhen Municipality.
4.51	Summary Table of Property Units and Prices.

<u>Exhibit No.</u>	<u>Description</u>
4.52	Sale and purchase agreement relating to 1 Sims Lane #08-01 Singapore 387355.
8.1	Subsidiaries of Global Sources Ltd.
12.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002.
13.2	Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
14.1	Consent of Independent Accountants for incorporation of their report filed with Form 6-K into the Company’s previously filed Registration Statements File No. 333-59058 and 333-62132. *****
14.2	Changes in Registrant’s Certifying Accountant. +++
14.3	Letter to the SEC from the Company pursuant to SEC Release No. 33-8070, dated April 9, 2002. *****
14.4	Consent of Independent Registered Public Accounting Firm for incorporation of their report filed under Form 20-F into the Company’s previously filed Registration Statements File No. 333-104426, 333-59058, 333-138474, 333-114411, 333-154960 and 333-177577.
14.5	Consent of Savills Valuation and Professional Services Limited for incorporation of their valuation of properties as at December 31, 2013 and their name which appears in the Company’s Annual Report on Form 20-F into the Company’s previously filed Registration Statements File No. 333-104426, 333-59058, 333-138474, 333-114411, 333-154960 and 333-177577. ***** *
14.10	Press release dated February 4, 2008 to announce share buyback program ##
14.11	Press release dated February 12, 2009 to announce the bonus share issue by Global Sources Ltd. ###
14.12	Letter to Securities and Exchange Commission from the Company’s previous Independent Registered Public Accountants. +++++++
<hr/>	
*	Incorporated by reference to Form F-1 filed with the Securities and Exchange Commission on March 27, 2000.
**	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on June 30, 2000.
***	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on April 5, 2001.
****	Incorporated by reference to Form S-8 Registration Statement filed with the Securities and Exchange Commission on June 1, 2001.
*****	Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on April 25, 2002.
~	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on June 12, 2006 and confidential treatment requested (the confidential portions of such exhibits have been omitted and filed separately with the Securities and Exchange Commission)
*****	Incorporated by reference to Form S-8 Registration Statement filed with the Securities and Exchange Commission on April 10, 2003.
*****	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on April 26, 2012.
*****	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on April 26, 2013.
+	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on April 30, 2002.
++	Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on May 6, 2002.
+++	Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on August 13, 2002.
++++	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on May 13, 2005.
+++++	Incorporated by reference to Form S-8 Registration Statement filed with the Securities and Exchange Commission on November 7, 2006.
+++++	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on June 28, 2007.
+++++	Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on June 25, 2008.

+++++++ Incorporated by reference to Form 20-F Annual Report of Global Sources Ltd. filed with the Securities and Exchange Commission on June 26, 2009.

+++++++ Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on May 11, 2012.

+++++++ Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on December 21, 2012.

Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on March 21, 2005.

Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on February 5, 2008.

Incorporated by reference to Form 6-K filed with the Securities and Exchange Commission on February 12, 2009.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

GLOBAL SOURCES LTD.

By: /s/ Connie Lai
Connie Lai,
Chief Financial Officer

Date: April 28, 2014

B Y E - L A W S

of

~~Fairchild (Bermuda), Ltd.~~
Global Sources Ltd. ⁽¹⁾

INTERPRETATION

1. (1) In these Bye-Laws unless the context otherwise requires –

“Bermuda” means the Islands of Bermuda;

“Board” means the Board of Directors of the Company or the Directors present at a meeting of Directors at which there is a quorum;

“the Companies Acts” means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company;

“Company” means the company incorporated in Bermuda under the name of Fairchild (Bermuda), Ltd. on the 9th day of November 1999;

“Director” means such person or persons as shall be appointed to the Board from time to time pursuant to these Bye-Laws;

“Officer” means a person appointed by the Board pursuant to Bye-Law 118 of these Bye-Laws and shall not include an auditor of the Company;

“paid up” means paid up or credited as paid up;

“Register” means the Register of Shareholders of the Company;

“Registered Office” means the registered office for the time being of the Company;

“Resident Representative” means the person (or, if permitted in accordance with the Companies Acts, the company) appointed to perform the duties of resident representative set out in the Companies Acts and includes any assistant or deputy Resident Representative appointed by the Board to perform any of the duties of the Resident Representative;

“Resolution” means a resolution of the Shareholders or, where required, of a separate class or separate classes of Shareholders;

“Seal” means the common seal of the Company and includes any duplicate thereof;

“Secretary” includes a temporary or assistant or deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

“Shareholder” means a shareholder or member of the Company;

“Specified Place” means the place, if any, specified in the notice of any meeting of the shareholders, or adjourned meeting of the shareholders, at which the chairman of the meeting shall preside;

“these Bye-Laws” means these Bye-Laws in their present form or as from time to time amended;

- (2) For the purposes of these Bye-Laws a corporation shall be deemed to be present in person if its representative duly authorised pursuant to the Companies Acts is present;
- (3) Words importing only the singular number include the plural number and vice versa;
- (4) Words importing only the masculine gender include the feminine and neuter genders respectively;
- (5) Words importing persons include companies or associations or bodies of persons, whether corporate or un-incorporate;
- (6) Reference to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form;
- (7) Any words or expressions defined in the Companies Acts in force at the date when these Bye-Laws or any part thereof are adopted shall bear the same meaning in these Bye-Laws or such part (as the case may be);
- (8) In these Bye-Laws, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; (b) the word “Board” in the context of the exercise of any power contained in these Bye-Laws includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional Board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Bye-laws or under another delegation of the powers.
- (9) In these Bye-Laws *unless otherwise required by law or otherwise specifically provided for in these Bye-Laws*, where information, notices or documents of any nature whatsoever, are required to be in writing or described as being written, that requirement or description is met by such material being provided by electronic means. ⁽²⁾
- (10) In these Bye-Laws *unless otherwise required by law or otherwise specifically provided for in these Bye-Laws*, where information, notices or documents of any nature whatsoever are required to be delivered, dispatched, given, sent or served upon a person, that requirement is met by doing so by electronic means provided that the originator of such material states that the receipt of such material is to be acknowledged and the addressee has acknowledged such receipt. ⁽³⁾
- (11) In these Bye-Laws *unless otherwise required by law or otherwise specifically provided for in these Bye-laws*, where the signature of a person is required that requirement is met by a signature delivered by electronic means provided that (a) a method is used to identify that person and to indicate that the person intended to sign or otherwise adopt the material to which the signature relates; and (b) that method is, on the discretion of the Board, reliable. ⁽⁴⁾

REGISTERED OFFICE

- 2. The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

SHARE RIGHTS

3. Subject to any special rights conferred on the holders of any share or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.
4. (1) Subject to the Companies Acts, any preference shares may, with the sanction of a resolution of the Board, be issued on terms:
- (a) that they are to be redeemed on the happening of a specified event or on a given date; and/or,
 - (b) that they are liable to be redeemed at the option of the Company; and/or,
 - (c) if authorised by the memorandum/Incorporating Act of the Company, that they are liable to be redeemed at the option of the holder.

The terms and manner of redemption shall be provided for in such resolution of the Board and shall be attached to and shall form part of these Bye-Laws.

- (2) The Board may, at its discretion and without the sanction of a resolution authorise the purchase by the Company of its own shares, of any class, at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever, upon such terms as the Board may in its discretion determine PROVIDED ALWAYS that such purchase is effected in accordance with the provisions of the Companies Acts.

- ¹(3) The Board may, at its discretion and without the sanction of a Resolution, authorise the acquisition by the Company of its own shares, of any class, at any price (whether at par or above or below par), and any shares to be so purchased may be selected in any manner whatsoever, to be held as treasury shares, upon such terms as the Board may in its discretion determine, provided always that such acquisition is effected in accordance with the provisions of the Companies Act. The whole or any part of the amount payable on any such acquisition may be paid or satisfied otherwise than in cash, to the extent permitted by the Companies Act. The Company shall be entered in the Register as a Shareholder in respect of the shares held by the Company as treasury shares and shall be a Shareholder of the Company but subject always to the provisions of the Companies Act and for the avoidance of doubt the Company shall not exercise any rights and shall not enjoy or participate in any of the rights attaching to those shares save as expressly provided for in the Companies Act .

MODIFICATION OF RIGHTS

5. Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than seventy five percent (75%) of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. To any such separate general meeting, all the provisions of these Bye-Laws as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy the majority of the shares of the relevant class, that every holder of shares of the relevant class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the relevant class present in person or by proxy may demand a poll; provided, however, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.

¹ Amendment adopted at the 2007 Annual General Meeting held on 18 June 2007

6. For the purposes of this Bye-Law, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights attaching to any class of shares for the time being shall be deemed to be altered by the reduction of the capital paid up on those shares otherwise than by a purchase or redemption by the Company of such shares and by the allotment of other shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares but shall not otherwise be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith or by the purchase or redemption by the Company of any its own shares.

SHARES

7. Subject to the provisions of these Bye-Laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
- ²7A. Subject to the provisions of these Bye-Laws, any shares of the Company held by the Company as treasury shares shall be at the disposal of the Board, which may hold all or any of the shares, dispose of or transfer all or any of the shares for cash or other consideration, or cancel all or any of the shares.
8. The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by law. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
9. Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided in these Bye-Laws, or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

CERTIFICATES

10. The preparation, issue and delivery of certificates shall be governed by the Companies Acts. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.
11. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

² Amendment adopted at the 2007 Annual General Meeting held on 18 June 2007

12. All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any persons, or may determine that a representation of the Seal may be printed on any such certificates.
13. Nothing in these Bye-Laws shall prevent title to any securities of the Company from being evidenced and/or transferred without a written instrument in accordance with regulations made from time to time in this regard under the Companies Acts, and the Board shall have power to implement any arrangements which it may think fit for such evidencing and/or transfer which accord with those regulations.

LIEN

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-Law.
15. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.
16. The net proceeds of sale by the Company any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person who was the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.
17. Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any Shareholder or in respect of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Shareholder by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any Shareholder and whether in consequence of:-
- (a) the death of such Shareholder;
 - (b) the non-payment of any income tax or other tax by such Shareholder;
 - (c) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such Shareholder or by or out of his estate;

(d) any other act or thing;

in every such case (except to the extent that the rights conferred upon holders of any class of shares render the Company liable to make additional payments in respect of sums withheld on account of the foregoing):-

- (i) the Company shall be fully indemnified by such Shareholder or his executor or administrator from all liability;
- (ii) the Company shall have a lien upon all dividends and other monies payable in respect of the shares registered in any of the Company's registers as held either jointly or solely by such Shareholder for all monies paid or payable by the Company in respect of such shares or in respect of any dividends or other monies as aforesaid thereon or for or on account or in respect of such Shareholder under or in consequence of any such law together with interest at the rate of fifteen percent (15%) per annum thereon from the date of payment to date of repayment and may deduct or set off against such dividends or other monies payable as aforesaid any monies paid or payable by the Company as aforesaid together with interest as aforesaid;
- (iii) the Company may recover as a debt due from such Shareholder or his executor or administrator wherever constituted any monies paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period aforesaid in excess of any dividends or other monies as aforesaid then due or payable by the Company;
- (iv) the Company may if any such money is paid or payable by it under any such law as aforesaid refuse to register a transfer of any shares by any such Shareholder or his executor or administrator until such money and interest as aforesaid is set off or deducted as aforesaid or in case the same exceeds the amount of any such dividends or other monies as aforesaid then due or payable by the Company until such excess is paid to the Company.

Subject to the rights conferred upon the holders of any class of shares nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such Shareholder as aforesaid, his estate representative, executor, administrator and estate wheresoever constituted or situate, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

CALLS ON SHARES

- 18. The Board may from time to time make calls upon the Shareholders³ (which, for the avoidance of doubt, shall exclude the Company, in respect of any unpaid or partly paid shares held by the Company as treasury shares) in respect of any moneys unpaid on their shares (whether on account of the par value of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least fourteen days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
- 19. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

³ Amendment adopted at the 2007 Annual General Meeting held on 18 June 2007

21. If a sum called in respect of the share shall not be paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
22. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Bye-Laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Bye-Laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
23. The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

FORFEITURE OF SHARES

24. If a Shareholder fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
25. The notice shall name a further day (not being less than 14 days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-Laws to forfeiture shall include surrender.
26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
27. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
28. A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.
29. A person whose shares have been forfeited shall thereupon cease to be a Shareholder in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.

30. An affidavit in writing that the deponent is a Director of the Company or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

REGISTER OF SHAREHOLDERS

31. The Secretary shall establish and maintain the Register at the Registered Office or at such other place in Bermuda as the Board may from time to time direct, in the manner prescribed by the Companies Acts. Unless the Board otherwise determines, the Register shall be open to inspection in the manner prescribed by the Companies Acts between 9.00 a.m. and 5.00 p.m. in Bermuda, on every working day. Unless the Board so determines, no Shareholder or intending Shareholder shall be entitled to have entered in the Register any indication of any trust or any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-Law 9.
32. Subject to the provisions of the Companies Acts, the Company may keep one or more overseas or branch registers in any place, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping such registers.

REGISTER OF DIRECTORS AND OFFICERS

33. The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 9:00 a.m. and 5:00 p.m. in Bermuda on every working day.

TRANSFER OF SHARES

34. Subject to the Companies Acts and to such of the restrictions contained in these Bye-Laws as may be applicable, any Shareholder may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve.
35. The instrument of transfer of a share shall be signed by or on behalf of the transferor and where any share is not fully-paid, the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer when registered may be retained by the Company. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which is not a fully-paid share. The Board may also decline to register any transfer unless:-
- (1) the instrument of transfer is duly stamped and lodged with the Company, at such place as the Board shall appoint for the purpose, accompanied by the certificate for the shares (if any has been issued) to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,
 - (2) the instrument of transfer is in respect of only one class of share,
 - (3) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.

Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under this Bye-Law and Bye-Laws 34 and 36.

36. If the Board declines to register a transfer it shall, within three months after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.

37. A fee to be determined by the Board shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register relating to any share.

TRANSMISSION OF SHARES

38. In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole holder, shall be the only person recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether the sole or joint) from any liability in respect of any share held by him solely or jointly with other persons. For the purpose of this Bye-Law, estate representative means the person to whom probate or letters of administration has or have been granted in Bermuda or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognised by the Company for the purpose of this Bye-Law.
39. Any person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Bye-Laws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Shareholder.
40. A person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty days, the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the shares until the requirements of the notice have been complied with.
41. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-Laws 38,39 and 40.

INCREASE OF CAPITAL

42. The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Resolution shall prescribe.
43. The Company may, by the Resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number such shares held by them respectively or make any other provision as to the issue of the new shares.
44. The new shares shall be subject to all the provisions of these Bye-Laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

ALTERATION OF CAPITAL

45. The Company may from time to time by Resolution:-

- (1) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;
- (2) consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;
- (3) sub-divide its shares or any of them into shares of smaller par value than is fixed by its memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (4) make provision for the issue and allotment of shares which do not carry any voting rights;
- (5) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (6) change the currency denomination of its share capital.

Where any difficulty arises in regard to any division, consolidation, or sub-division under this Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

46. Subject to the Companies Acts and to any confirmation or consent required by law or these Bye-Laws, the Company may by Resolution from time to time convert any preference shares into redeemable preference shares.

REDUCTION OF CAPITAL

47. Subject to the Companies Acts, its memorandum and any confirmation or consent required by law or these Bye-Laws, the Company may from time to time by resolution authorise the reduction of its issued share capital or any share premium or contributed surplus account in any manner.

48. In relation to any such reduction, the Company may by Resolution determine the terms upon which such reduction is to be effected including, in the case of a reduction of part only of a class of shares, those shares to be affected.

GENERAL MEETINGS AND WRITTEN RESOLUTIONS

49. (1) The Board shall convene and the Company shall hold general meetings as Annual General Meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. The Board may, whenever it thinks fit, and shall, when requisitioned by shareholders pursuant to the provisions of the Companies Acts, convene general meetings other than Annual General Meetings which shall be called Special General Meetings.
- (2) Except in the case of the removal of auditors and Directors, anything which may be done by resolution in general meeting may, without a meeting and without any previous notice being required, be done by resolution in writing, signed by all the Shareholders or their proxies, or in the case of a Shareholder that is a corporation (whether or not a company within the meaning of the Companies Acts) on behalf of such Shareholder, being all of the Shareholders of the Company who at the date of the resolution in writing would be entitled to attend a meeting and vote on the resolution. Such resolution in writing may be signed in as many counterparts as may be necessary.

- (3) For the purposes of this Bye-Law, the date of the resolution in writing is the date when the resolution is signed by or on behalf of, the last Shareholder to sign and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution in writing made in accordance with this section, a reference to such date.
- (4) A resolution in writing made in accordance with this Bye-Law is as valid as if it had been passed by the Company in general meeting or, if applicable, by a meeting of the relevant class of Shareholders of the Company, as the case may be. A resolution in writing made in accordance with this section shall constitute minutes for the purposes of the Companies Acts and these Bye-Laws.

NOTICE OF GENERAL MEETINGS

- 50. An Annual General Meeting shall be called by not less than 21 days notice in writing and a Special General Meeting shall be called by not less than 21 days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of the meeting, and, the nature of the business to be considered. Notice of every general meeting shall be given in any manner permitted by Bye-Laws 141 and 142 to all Shareholders other than such as, under the provisions of these Bye-Laws or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company and to each Director, and to any Resident Representative who or which has delivered a written notice upon the Registered Office requiring that such notice be sent to him or it.
- 51. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.
- 52. A Shareholder present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

GENERAL MEETINGS AT MORE THAN ONE PLACE

- 53.
 - (1) The provisions of this Bye-Law shall apply if any general meeting is convened at or adjourned to more than one place.
 - (2) The notice of any meeting or adjourned meeting may specify the Specified Place and the Board shall make arrangements for simultaneous attendance and participation at other places (whether adjoining the Specified Place or in a different and separate place or places altogether or otherwise) by Shareholders, provided that persons attending at any particular place shall be able to see and hear, and be seen and heard (whether by audio visual links or otherwise howsoever enabling the same) by, persons attending at the other places at which the meeting is convened.
 - (3) The Board may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a Shareholder who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any Shareholder so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

- (4) For the purposes of all other provisions of these Bye-Laws any such meeting shall be treated as being held at the Specified Place.
- (5) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given, in the manner required by Bye-Law 50.

PROCEEDINGS AT GENERAL MEETINGS

- 54. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Bye-Laws, at least two Shareholders present in person or by proxy and entitled to vote representing the holders of more than 50% of the issued shares shall be a quorum for all purposes; provided, however, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.
- 55. If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine and at such adjourned meeting two Shareholders present in person or by proxy and entitled to vote and representing the holders of more than 50% of the issued shares shall be a quorum, provided that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum. The Company shall give not less than 5 days notice of any meeting adjourned through want of a quorum and such notice shall state that the sole Shareholder or, if more than one, two Shareholders present in person or by proxy and entitled to vote and representing the holders of more than 50% of the issued shares shall be a quorum. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the meetings shall be dissolved.
- 56. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting.
- 57. The Resident Representative, if any, upon giving the notice referred to in Bye-Law 50 above, shall be entitled to attend any general meeting of the Company and each Director shall be entitled to attend and speak at any general meeting of the Company.
- 58. The Chairman (if any) of the Board or, in his absence, the President shall preside as chairman at every general meeting. If there is no such Chairman or President, or if at any meeting neither the Chairman nor the President is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.
- 59. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. In addition, the chairman may adjourn the meeting to another time and place without such consent if it appears to him that it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present. When a meeting is adjourned for three months or more or for an indefinite period, at least 21 clear days' notice shall be given of the adjourned meeting.

60. Save as expressly provided by these Bye-Laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING

61. Save where a greater majority is required by the Companies Acts or these Bye-Laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast.
62. Subject to any rights or restrictions attached to any class of shares, at any meeting of the Company, each Shareholder present in person shall be entitled to one vote on any question to be decided on a show of hands and each Shareholder present in person or by proxy shall be entitled on a poll to one vote for each share held by him.
63. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:-
- (1) the chairman of the meeting; or
 - (2) at least three Shareholders present in person or represented by proxy; or
 - (3) any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth of the total voting rights of all the Shareholders having the right to vote at such meeting; or
 - (4) a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all such shares conferring such right.
64. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other Shareholder entitled may demand a poll.
65. Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded for or against such resolution.
66. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
67. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct and he may appoint scrutineers (who need not be Shareholders) and fix a time and place for declaring the result of the poll. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
68. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

69. On a poll, votes may be cast either personally or by proxy.
70. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
71. In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall not be entitled to a second or casting vote and the resolution shall fail.
72. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
73. A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such Court and such receiver, committee, *curator bonis* or other person may vote on a poll by proxy, and may otherwise act and be treated as such Shareholder for the purpose of general meetings.
74. No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
75. If;
- (1) any objection shall be raised to the qualification of any voter; or,
 - (2) any votes have been counted which ought not to have been counted or which might have been rejected; or,
 - (3) any votes are not counted which ought to have been counted,
- the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.
76. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon.

PROXIES AND CORPORATE REPRESENTATIVES

77. The instrument appointing a proxy shall be in writing under the hand (including a signature provided by electronic means) of the appointor or of his attorney authorised by him in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. ⁽⁵⁾

78. Any Shareholder may appoint a standing proxy or (if a corporation) representative by depositing at the Registered Office, or at such place or places, and in such manner, including by electronic means, as the Board may determine for the purpose, a proxy or (if a corporation) an authorisation and such proxy or authorisation shall be valid for all general meetings and adjournments thereof or, resolutions in writing, as the case may be, until notice of revocation is received at the Registered Office, or at such place or places as the Board may otherwise specify for the purpose. Where a standing proxy or authorisation exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the Shareholder is present or in respect to which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any such standing proxy or authorisation and the operation of any such standing proxy or authorisation shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it. A person so authorised as a representative of a corporation shall be entitled to exercise the same power on behalf of the grantor of the authority as the grantor could exercise if it were an individual Shareholder of the Company and the grantor shall for the purposes of these Bye-Laws be deemed to be present in person at any such meeting if a person so authorised is present at it. ⁽⁶⁾
79. Subject to Bye-Law 78, the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office (or at such place or places as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case or the case of a written resolution, in any document sent therewith) in such manner, including by electronic means, as the Board may determine, not less than 48 hours or such other period as the Board may determine, prior to the holding of the relevant meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, before the time appointed for the taking of the poll, or, in the case of a written resolution, prior to the effective date of the written resolution and in default the instrument of proxy shall not be treated as valid. ⁽⁷⁾
80. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting or any written resolution forms of instruments of proxy for use at that meeting or in connection with that written resolution. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a written resolution or amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated therein be valid as well for any adjournment of the meeting as for the meeting to which it relates.
81. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or unsoundness of mind of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, or the day before the effective date of any written resolution at which the instrument of proxy is used.
82. Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-Laws related to proxies or authorisations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at general meetings or to sign written resolutions.

APPOINTMENT AND REMOVAL OF DIRECTORS

83. At every Annual General Meeting (excepting the first Annual General Meeting) one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire.
84. Subject to the provisions of the Companies Acts and these Bye-Laws, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the Annual General Meeting and no Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.

85. If the Company, at the meeting at which a Director retires by rotation or otherwise, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.
86. No person other than a Director retiring by rotation shall be appointed a Director at any Annual or Special General Meeting unless:-
- (1) he is recommended by the Board; or
 - (2)
 - (i) notice of any intention to nominate a person for election as a Director to be presented by a shareholder at an Annual General Meeting (a "Shareholder Notice") shall be delivered to the Secretary of the Company at the registered office of the Company not less than ninety nor more than one hundred and twenty days prior to the first anniversary date of the Annual General Meeting for the preceding year; provided, however, that if and only if the Annual General Meeting is not scheduled to be held within a period that commences thirty days before and ends thirty days after such anniversary date (an Annual General Meeting date outside such period being referred to herein as an "Other Meeting Date"), such Shareholder Notice shall be given in the manner provided herein by the later of (i) the close of business on the date ninety days prior to such Other Meeting Date or (ii) the close of business on the tenth day following the date on which such Other Meeting Date is first publicly announced or disclosed.
 - (ii) Any Shareholder desiring to nominate any person or persons (as the case may be) for election as a director or directors of the Company at an Annual General Meeting of Shareholders shall deliver, as part of such Shareholder Notice, a statement in writing setting forth the name of the person or persons to be nominated, the number and class of all shares of each class of shares of the Company owned of record and beneficially by each such person, as reported to such Shareholder by such person, the information regarding each such person required by paragraphs (a), (e) and (f) of Item 401 of Regulation S-K adopted by the Securities and Exchange Commission, each such person's signed consent to serve as a director of the Company if elected, such Shareholder's name and address, the number and class of all shares of each class of shares of the Company owned of record and beneficially by such Shareholder and, in the case of a Nominee Holder, evidence establishing such Nominee Holder's indirect ownership of shares and entitlement to vote such shares for the election of directors at the Annual General Meeting. As used in this Bye-Laws, shares "beneficially owned" shall mean all shares which such person is deemed to beneficially own pursuant to Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934 (the "Exchange Act").
 - (iii) Notwithstanding any provision of this Bye-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Company at the next Annual General Meeting of Shareholders is increased by virtue of an increase in the size of the Board of Directors and either all of the nominees for director at the next Annual General Meeting of Shareholders or the size of the increased Board of Directors is not publicly announced or disclosed by the Company at least one hundred days prior to the first anniversary of the preceding year's Annual General Meeting, a Shareholder Notice shall also be considered timely hereunder, but only with respect to nominees to stand for election at the next Annual General Meeting as the result of any new positions created by such increase, if it shall be delivered to the Secretary of the Company at the Registered Office of the Company not later than the close of business on the tenth day following the first day on which all such nominees or the size of the increased Board of Directors shall have been publicly announced or disclosed.

- (3) In the event the Company calls a Special General Meeting of Shareholders for the purpose of electing one or more directors to the Board of Directors, any Shareholder entitled to vote for the election of such director(s) at such Special General Meeting may nominate a person or persons (as the case may be) for election to such position(s) as are specified in the Company's notice of such meeting, but only if the Shareholder Notice required by this Bye-Law shall be delivered to the Secretary of the Company at the Registered Office of the Company not later than the close of business on the tenth day following the first day on which the date of the Special General Meeting and either the names of all nominees proposed by the Board of Directors to be elected at such meeting or the number of directors to be elected shall have been publicly announced or disclosed.
 - (4) For purposes of this Bye-Law a matter shall be deemed to have been "publicly announced or disclosed" if such matter is disclosed in a press release reported by the Dow Jones News Service, the Associated Press or a comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission.
 - (5) The chairman of any meeting of Shareholders at which Directors are to be elected, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall have the power and duty to determine whether notice of nominees to be brought before a meeting has been duly given in the manner provided in this Bye-Law and, if not so given, shall direct and declare at the meeting that such nominees shall not be considered.
87. Except as otherwise authorised by the Companies Acts, the appointment of any person proposed as a Director shall be effected by a separate resolution.
88. All Directors, upon election or appointment, except upon re-election at an Annual General Meeting, must provide written acceptance of their appointment, in such form as the Board may think fit, by notice in writing to the Registered Office within thirty days of their appointment.
89. The Company shall at the Annual General Meeting and may by resolution determine the minimum number of Directors, which shall be not less than two, and the maximum number of Directors and may by resolution determine that one or more vacancies in the Board shall be deemed casual vacancies for the purposes of these Bye-Laws. Without prejudice to the power of the Company by resolution in pursuance of any of the provisions of these Bye-Laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a casual vacancy. A Director so appointed shall hold office only until the next following Annual General Meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. If not reappointed at such Annual General Meeting, he shall vacate office at the conclusion thereof.
90. The Company may in a Special General Meeting called for that purpose remove a Director provided notice of any such meeting shall be served upon the Director concerned not less than 14 days before the meeting and he shall be entitled to be heard at that meeting. Any vacancy created by the removal of a Director at a Special General Meeting may be filled at the Meeting by the election of another Director in his place or, in the absence of any such election, by the Board.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

91. The office of a Director shall be vacated upon the happening of any of the following events:
- (1) if he resigns his office by notice in writing delivered to the Registered Office or tendered at a meeting of the Board;

- (2) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that his office is vacated;
- (3) if he becomes bankrupt under the laws of any country or compounds with his creditors;
- (4) if he is prohibited by law from being a Director;
- (5) if he ceases to be a Director by virtue of the Companies Acts or these Bye-Laws or is removed from office pursuant to these Bye-Laws;
- (6) he shall for more than three consecutive Board meetings have been absent without permission of the Board from meetings of the Board held during that period and his Alternate Director (if any) shall not during such period have attended in his stead and the Board resolves that his office be vacated;
- (7) he is requested to resign in writing by not less than three quarters of the other Directors. In calculating the number of Directors who are required to make such a request to the Director, (i) there shall be excluded any Alternate Director appointed by him acting in his capacity as such; and (ii) a Director and any Alternate Director appointed by him and acting in his capacity as such shall constitute a single Director for this purpose, so that the signature of either shall be sufficient.

ALTERNATE DIRECTORS

92. Any Director (other than an Alternate Director) may appoint any other Director, or any other person approved by resolution of the Board and willing to act, to be an Alternate Director and may remove from office an Alternate Director so appointed by him. Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal with the Secretary at the Registered Office, signed by such Director, and such appointment or removal shall become effective on the date of receipt by the Secretary. Any Alternate Director may also be removed by resolution of the Board. An Alternate Director may also be a Director in his own right and may act as alternate to more than one Director.
93. An Alternate Director shall cease to be an Alternate Director:-
- (a) if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an Alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment;
 - (b) on the happening of any event which, if he were a Director, would cause him to vacate his office as Director;
 - (c) if he is removed from office pursuant to Bye-Law 92; or
 - (d) if he resigns his office by notice to the Company.
94. An Alternate Director shall be entitled to receive notices of all meetings of Directors, to attend, be counted in the quorum and vote at any such meeting at which any Director to whom he is alternate is not personally present, and generally to perform all the functions of any Director to whom he is alternate in his absence.
95. Every person acting as an Alternate Director shall (except as regards powers to appoint an alternate and remuneration) be subject in all respects to the provisions of these Bye-Laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate. An Alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director. Every person acting as an Alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an Alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the terms of his appointment provides to the contrary, be as effective as the signature of the Director or Directors to whom he is alternate.

DIRECTORS' FEES AND ADDITIONAL REMUNERATION AND EXPENSES

96. The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Bye-Laws) shall not exceed in aggregate US\$20,000 per annum or such higher amount as the Board may from time to time by resolution determine. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. Each Director may be paid his reasonable travel, hotel and incidental expenses in attending and returning from meetings of the Board or committees constituted pursuant to these Bye-Laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

DIRECTORS' INTERESTS

97. (1) A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.
- (2) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (3) Subject to the provisions of the Companies Acts, a Director may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (4) So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-Laws allow him to be appointed or from any transaction or arrangement in which these Bye-Laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.
- (5) A Director who has disclosed his interest in a transaction or arrangement with the Company, or in which the Company is otherwise interested, may be counted in the quorum and vote at any meeting at which such transaction or arrangement is considered by the Board.

- (6) Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or Officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.
- (7) For the purposes of these Bye-Laws, without limiting the generality of the foregoing, a Director is deemed to have an interest in a transaction or arrangement with the Company if he is the holder of or beneficially interested in five per cent or more of any class of the equity share capital of any body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate with which the Company is proposing to enter into a transaction or arrangement, provided that there shall be disregarded any shares held by such Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust in which the Director is only interested as a unit holder. For the purposes of this Bye-Law, an interest of a person who is connected with a Director shall be treated as an interest of the Director.

POWERS AND DUTIES OF THE BOARD

98. Subject to the provisions of the Companies Acts and these Bye-Laws and to any directions given by the Company by Resolution, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-Laws and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Bye-Law shall not be limited by any special power given to the Board by these Bye-Laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
99. The Board may exercise all the powers of the Company ⁴~~to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons. except those powers that are required by the Companies Act or these Bye-Laws to be exercised by the Shareholders.~~
100. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

GRATUITIES, PENSIONS AND INSURANCE

101. (1) The Board may (by establishment of or maintenance of schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiaries or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

⁴ Amendment adopted at 2008 Annual General Meeting held on 11 June 2008

- (2) Without prejudice to the provisions of Bye-Laws 147 and 148, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, Officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.
- (3) No Director or former Director shall be accountable to the Company or the Shareholders for any benefit provided pursuant to this Bye-Law and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

DELEGATION OF THE BOARD'S POWERS

102. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-Laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
103. The Board may entrust to and confer upon any Director, Officer or, without prejudice to the provisions of Bye-Law 104, other individual any of the powers exercisable by it upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
104. The Board may delegate any of its powers, authorities and discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings conform to any regulations which may be imposed upon it by the Board. If no regulations are imposed by the Board the proceedings of a committee with two or more members shall be, as far as is practicable, governed by the Bye-Laws regulating the proceedings of the Board.

PROCEEDINGS OF THE BOARD

105. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.
106. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by post, cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his last known address or any other address given by him to the Company for this purpose. A Director may retrospectively waive the requirement for notice of any meeting by consenting in writing to the business conducted at the meeting.

107. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of directors or alternate directors entitled to vote with respect to such business. Any Director who ceases to be a Director at a meeting of the Board may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
108. The Resident Representative shall, upon delivering written notice of an address for the purposes of receipt of notice, to the Registered Office, be entitled to receive notice of, attend and be heard at and to receive minutes of all meetings of the Board.
109. So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.
110. The Chairman (or President) or, in his absence, the Deputy Chairman (or Vice-President), shall preside as chairman at every meeting of the Board. If at any meeting the Chairman or Deputy Chairman (or the President or Vice President) is not present within five minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
111. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-Laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.
112. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.
113. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. ~~Such a meeting shall be deemed to take place where the largest group of those participating in the meeting is physically assembled, or, if there is no such group, where the chairman of the meeting then is.~~ ⁵ Such a meeting shall be deemed to take place at:-
- (i) such place as those participating in the meeting may specify or designate during the meeting or in the minutes thereof, provided that such place shall be where at least one (1) participant at the meeting is physically present during the meeting; or
 - (ii) if no such place is specified or designated as aforesaid, the place where the largest group of those participating in the meeting is physically assembled, or, if there is no such group, where the chairman of the meeting then is.
114. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorised by the Board or any committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorised.

⁵ Amendment adopted at the 2007 Annual General Meeting held on 18 June 2007

115. The Company may by resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Bye-Laws prohibiting a Director from voting at a meeting of the Board or of a committee of the Board, or ratify any transaction not duly authorised by reason of a contravention of any such provisions.
116. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the provisions of paragraph (5) of Bye-Law 97) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
117. If a question arises at a meeting of the Board or a committee of the Board as to the entitlement of a Director to vote or be counted in a quorum, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If any such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the Board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the interests of the chairman have not been fairly disclosed.

OFFICERS

118. The Officers of the Company shall include a President and a Vice-President or a Chairman and a Deputy Chairman who shall be Directors and shall be elected by the Board, subject to Bye-Law 116, as soon as possible after the statutory meeting and each Annual General Meeting. In addition, the Board may appoint any person whether or not he is a Director to hold such office as the Board may from time to time determine. Any person elected or appointed pursuant to this Bye-Law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such Officer may have against the Company or the Company may have against such Officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-Laws, the powers and duties of the Officers of the Company shall be such (if any) as are determined from time to time by the Board.

EXECUTIVE DIRECTORS

119. Subject to the provisions of the Companies Acts and to Bye-Law 116, the Board may appoint one or more of its body to be the holder of any executive officer (except that of auditor) under the Company and may enter into any agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the Board determines, and any remuneration which is so determined may be in addition to or in lieu of any ordinary remuneration as a Director. The Board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof.
120. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any rights or claims which he may have against the Company by reason of such cesser. A Director appointed to an executive office shall not ipso facto cease to be a Director if his appointment to such executive office terminates.

121. The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership or any such scheme or fund.

MINUTES

122. The Board shall cause minutes to be made and books kept for the purpose of recording –
- (1) all appointments of Officers made by the Board;
 - (2) the names of the Directors and other persons (if any) present at each meeting of the Board and of any committee;
 - (3) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, of the Board and of committees appointed by the Board or the Shareholders;
 - (4) of all proceedings of its managers (if any).

Shareholders shall only be entitled to see the Register of Directors and Officers, the Register, the financial information provided for in Bye-Law 139 and the minutes of meetings of the Shareholders of the Company.

SECRETARY AND RESIDENT REPRESENTATIVE

123. The Secretary (including one or more deputy or assistant secretaries) and, if required, the Resident Representative, shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary and Resident Representative so appointed may be removed by the Board. The duties of the Secretary and the duties of the Resident Representative shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.
124. A provision of the Companies Acts or these Bye-Laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE SEAL

125. (1) The Seal shall consist of a circular metal device with the name of the Company around the outer margin thereof and the country and year of incorporation across the centre thereof. Should the Seal not have been received at the Registered Office in such form at the date of adoption of this Bye-Law then, pending such receipt, any document requiring to be sealed with the Seal shall be sealed by affixing a red wafer seal to the document with the name of the Company, and the country and year of incorporation type written across the centre thereof.
- (2) The Board shall provide for the custody of every Seal. A Seal shall only be used by authority of the Board or of a committee constituted by the Board. Subject to these Bye-Laws, any instrument to which a Seal is affixed shall be signed by either two Directors, or by the Secretary and one Director, or by the Secretary or by any one person whether or not a Director or Officer, who has been authorised either generally or specifically to affirm the use of a Seal; provided that the Secretary or a Director may affix a Seal over his signature alone to authenticate copies of these Bye-Laws, the minutes of any meeting or any other documents requiring authentication.

DIVIDENDS AND OTHER PAYMENTS

126. The Board may from time to time declare dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests including such interim dividends as appear to the Board to be justified by the position of the Company. The Board, in its discretion, may determine that any dividend shall be paid in cash or any other means allowable by law or shall be satisfied, subject to Bye-Law 134, in paying up in full shares in the Company to be issued to the Shareholders credited as fully paid or partly paid or partly in one way and partly the other. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company, in the opinion of the Board, justifies such payment.
127. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:-
- (1) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid, and an amount paid up on a share in advance of calls may be treated for the purpose of this Bye-Law as paid-up on the share;
 - (2) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.
128. The Board may deduct from any dividend, distribution or other moneys payable to a Shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
129. No dividend, distribution or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
130. Any dividend, distribution or interest, or part thereof payable in cash, or any other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his address in the Register or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the shares held by such joint holders.
131. Any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, distribution, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.
132. The Board may also, in addition to its other powers, direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend the Board may settle it as it thinks expedient, and in particular, may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the values so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board provided that such dividend or distribution may not be satisfied by the distribution of any partly paid shares or debentures of any company without the sanction of a Resolution.

RESERVES

133. The Board may, before recommending or declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

CAPITALIZATION OF PROFITS

134. The Board may, from time to time resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid amongst such Shareholders, or partly in one way and partly in the other, provided that for the purpose of this Bye-Law, a share premium account may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.
135. Where any difficulty arises in regard to any distribution under the last preceding Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

RECORD DATES

136. Notwithstanding any other provisions of these Bye-Laws, the Company may by resolution of the Board fix any date as the record date for any dividend, distribution, allotment or issue and for the purpose of identifying the persons entitled to receive notices of general meetings. Any such record date may be on or at any time not more than 60 days before any date on which such dividend, distribution, allotment or issue is declared, paid or made or not more than 60 days nor less than 21 days before the date of any such meetings.

ACCOUNTING RECORDS

137. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Companies Acts.
138. The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall at all times be open to inspection by the Directors: PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three month period. No Shareholder (other than an Officer of the Company) shall have any right to inspect any accounting record or book of document of the Company except as conferred by law or authorised by the Board or by Resolution.

139. A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts.

AUDIT

140. Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applicable law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine.

SERVICE OF NOTICES AND OTHER DOCUMENTS

141. Any notice or other document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally, by electronic means or by sending it through the post (by airmail where applicable) in a pre-paid letter addressed to such Shareholder at his address as appearing in the Register or by delivering it to or leaving it at such registered address or, in the case of delivery by electronic means, by delivering it to such Shareholder at such address as may be provided to the Company by the Shareholder for such purpose. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document if sent by post shall be deemed to have been served or delivered seven days after it was put in the post (and if delivered by electronic means, 24 hours after its dispatch), and in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed and sent, and, if sent by post, stamped and put in the post. ⁽⁸⁾
142. Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder, or other person entitled to it, if it is sent to him by cable, telex, telecopier, electronic means or other mode of representing or reproducing words in a legible and non-transitory form at his address as appearing in the Register or any other address given by him to the Company for this purpose. Any such notice shall be deemed to have been served twenty-four hours after its despatch. ⁽⁹⁾
143. Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-Laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

DESTRUCTION OF DOCUMENTS

144. The Company shall be entitled to destroy all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration thereof and all dividends mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation thereof and all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof and all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the

meeting to which the instrument of proxy relates and at which no poll was demanded. It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:-

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Bye-Law; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

UNTRACED SHAREHOLDERS

145. (1) The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and provided that:-

- (a) during the period of twelve years prior to the date of the publication of the advertisements referred to in paragraph (b) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have been declared and all dividend warrants and cheques which have been sent in the manner authorised by these Bye-Laws in respect of the shares in question have remained uncashed; and
- (b) the Company shall as soon as practicable after expiry of the said period of twelve years have inserted advertisements both in a Bermuda daily newspaper and in a newspaper circulating in the area of the last known address of such Shareholder or other person giving notice of its intention to sell the shares; and
- (c) during the said period of twelve years and the period of three months following the publication of the said advertisements the Company shall have received no indication either of the whereabouts or of the existence of such Shareholder or person; and
- (d) if the shares are listed on an appointed Stock Exchange, notice shall have been given to the appropriate Department of such Stock Exchange of the Company's intention to make such sale prior to the publication of advertisements.

If during any twelve year period referred to in paragraph (a) above, further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Bye-Law (other than the requirement that they be in issue for twelve years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

- (2) To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

- (3) The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Shareholder or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Shareholder or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Board from time to time thinks fit.

WINDING UP

146. If the Company shall be wound up, the liquidator may, with the sanction of a Resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY

147. Subject to the proviso below, every Director, Officer of the Company and member of a committee constituted under Bye-Law 104 and any Resident Representative shall be indemnified out of the funds of the Company against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, Officer, committee member or Resident Representative and the indemnity contained in this Bye-Law shall extend to any person acting as a Director, Officer, committee member or Resident Representative in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election PROVIDED ALWAYS that the indemnity contained in this Bye-Law shall not extend to any matter which would render it void pursuant to the Companies Acts.
148. Every Director, Officer, member of a committee duly constituted under Bye-Law 104 or Resident Representative of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Officer, committee member or Resident Representative in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.
149. To the extent that any Director, Officer, member of a committee duly constituted under Bye-Law 104 or Resident Representative is entitled to claim an indemnity pursuant to these Bye-Laws in respect of amounts paid or discharged by him, the relative indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.
150. Each Shareholder and the Company agree to waive any claim or right of action he or it may at any time have, whether individually or by or in the right of the Company, against any Director, Officer, or member of a committee duly constituted under Bye-Law 104 on account of any action taken by such Director, Officer, or member of a committee or the failure of such Director, Officer, or member of a committee to take any action in the performance of his duties with or for the Company PROVIDED HOWEVER that such waiver shall not apply to any claims or rights of action arising out of the fraud of such Director, Officer, or member of a committee duly constituted under Bye-Law 104 or to recover any gain, personal profit or advantage to which such Director, Officer, or member of a committee duly constituted under Bye-Law 104 is not legally entitled.

151. ⁶ For the purposes For the purposes hereof, “Indemnified Person” means any Director, Officer, Resident Representative, auditor, member of a committee duly constituted under these Bye-Laws and any liquidator, manager or trustee for the time being acting in relation to the affairs of the Company, and his or her heirs, executors and administrators.

~~Subject to the Companies Acts, c~~ Expenses incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to ~~these Bye-Laws 147 and 148~~ shall be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the ~~indemnified party~~ Indemnified Person to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified pursuant to Bye-Laws 148 and 149 provided that any allegation of fraud or dishonesty is proved against the Indemnified Person; ~~provided that~~ PROVIDED THAT no monies shall be paid hereunder unless payment of the same shall be authorised in the specific case upon a determination that indemnification of the ~~Director or officer~~ Indemnified Person would be proper in the circumstances because he or she has met the standard of conduct which would entitle him or her to the indemnification thereby provided and such determination shall be made:

- (a) by the Board, by a majority vote at a meeting duly constituted by a quorum of Directors not party to the proceedings or matter with regard to which the indemnification is, or would be, claimed; or
- (b) in the case such a meeting cannot be constituted by lack of a disinterested quorum, by independent legal counsel in a written opinion; or
- (c) by a majority vote of the Shareholders.

~~Each Shareholder of the Company, by virtue of its acquisition and continued holding of a share, shall be deemed to have acknowledged and agreed that the advances of funds may be made by the Company as aforesaid, and when made by the Company under this Bye-Law 151 are made to meet expenditures incurred for the purpose of enabling such Director, Officer, or member of a committee duly constituted under Bye-Law 104 to properly perform his or her duties as an officer of the Company.~~

AMALGAMATION

152. Any resolution proposed for consideration at any general meeting to approve the amalgamation of the Company with any other company, wherever incorporated, shall require the approval of the majority provided for in Bye-Law 156 at such meeting and the quorum for such meeting shall be that required in Bye-Law 54 and a poll may be demanded in respect of such resolution in accordance with the provisions of Bye-Law 64.

CONTINUATION

153. Subject to the Companies Acts, the Shareholders may, by Resolution, which shall require the approval of the majority provided for in Bye-Law 156 at the general meeting, approve the discontinuation of the Company in Bermuda and the continuation of the Company in a jurisdiction outside Bermuda. The Shareholders, having resolved to approve the discontinuation of the Company, may by resolution further resolve not to proceed with any application to discontinue the Company in Bermuda or may vary such application as they see fit.

⁶ Amendment adopted at the 2008 Annual General Meeting held on 11 June 2008

ALTERATION OF BYE-LAWS

154. Subject to Bye-Law 163, these Bye-Laws may be amended, from time to time by resolution of the Board, subject to approval by resolution at a General Meeting of the Shareholders.

BUSINESS COMBINATIONS

155. The following definitions shall apply with respect to the provisions of Bye-Laws 155 to 163 inclusive:

- (1) “the Act” means the Securities Exchange Act of 1934 of the United States of America, as amended, and the rules and regulations thereunder (or any subsequent provisions replacing the Act, rules or regulations).
- (2) “Affiliate” or “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Act, as in effect on November 8, 1990 (the term “registrant” in said Rule 12b-2 meaning in this case the Company).
- (3) A person shall be a “beneficial owner” of any Voting Shares: (a) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; (b) which such person or any of its Affiliates or Associates has, directly or indirectly, (i) the right to acquire (whether such rights is exercisable immediately or subject only to the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant of any agreement, arrangement or understanding; or (c) beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding of the purpose of acquiring, holding, voting or disposing of any shares of Capital Stock. For the purposes of determining whether a person is an Interested Shareholder pursuant to paragraph (9) of this Bye-Law 155, the number of Capital Shares deemed to be outstanding shall include shares deemed beneficially owned by such person through application of this paragraph (3) of this Bye-Law 155, but shall not include any other Capital Shares that may be issuable pursuant to an agreement arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.
- (4) “Business Combination” means:
 - (a) any merger, consolidation or amalgamation of the Company or any Subsidiary (as hereinafter defined) with (i) any Interested Shareholder or (ii) any other company (whether or not itself an Interest Shareholder) which is or after such merger, consolidation or amalgamation would be an Affiliate or Associates of an Interested Shareholder; or
 - (b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition or security arrangement, investment, loan, advance, guarantee, agreement to purchase, agreement to pay, extension of credit, joint venture participation or other arrangement (in one transaction or a series of transactions) with or for the benefit of any Interested Shareholder or any Affiliate or Associate of any Interested Shareholder involving any assets, securities or commitments of the Company, any Subsidiary or any Interested Shareholder or any Affiliate or Associate of any Interested Shareholder (except for any arrangement, whether as employee, consultant or otherwise, other than as a Director, pursuant to which any Interested Shareholder or any Affiliate or Associate thereof shall, directly or indirectly, have any control over or responsibility for the management of any aspect of the business or affairs of the Company, with respect to which arrangements the value tests set forth below shall not apply), together with all other such arrangements (including all contemplated future events), has an aggregate Fair Market Value and/or involves aggregate commitments of US\$15,000,000 or more or constitutes more that ten percent (10%) of the book value of the total assets (in the case of transactions involving assets or commitments other than capital shares) or ten percent (10%) of the Shareholders’ equity (in the case of transactions in Capital Shares) of the entity in question (the “Substantial Part”), as reflected in the most recent fiscal year and consolidated balance sheet of such entity existing at the time the Shareholders of the Company would be required to approve or authorize the Business Combinations involving the assets, securities and/or commitments constituting any Substantial Part; or

- (c) the adoption of any plan or proposal for the liquidation or dissolution of the Company or for the discontinuation into another jurisdiction or for any amendment to the Company's Bye-Laws; or
 - (d) any reclassification of shares or other securities (including any reverse stock split), or recapitalization of the Company, or any merger, consolidation or amalgamation of the Company with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Shareholder) that has the effect, directly or indirectly, or increasing the proportionate share of any class or series of Capital Shares, or any securities convertible into Capital Shares or into equity securities of any Subsidiary, that is beneficially owned by an Interested Shareholder or any Affiliate or Associate of any Interested Shareholder; or
 - (e) any agreement, contract or other arrangement providing for any one or more of the actions specified in the foregoing clauses (a) to (d).
- (5) "Capital Shares" means all the authorised shares in the capital of the Company.
- (6) "Common Shares" means all the authorised common shares in the capital of the Company.
- (7) "Continuing Director" means any member of the Board while such person is a member of the Board who is not an Affiliate or Associate or representative of the Interested Shareholder and was a member of the Board prior to the time that the Interested Shareholder became an Interested Shareholder, and any successor of a Continuing Director while such successor is a member of the Board of Directors, who is not an Affiliate or Associate or representative of the Interested Shareholder and is recommended or elected to succeed the Continuing Director by a majority of Continuing Directors.
- (8) "Fair Market Value" means: (a) in the case of cash, the amount of such cash; (b) in the case of shares, the highest closing sale price during the 30 day period immediately preceding the date in question of a share on the Composite Tape for New York Stock Exchange Listed Stocks, or, if such shares are not quoted on the Composite Tape, on the New York Stock Exchange, or, if such shares are not listed on such Exchange, on the principal United States securities exchange registered under the Act on which such stock is listed or, if such shares are not listed on any such exchange, the highest closing bid quotation with respect to such shares during the 30 day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System, in the pink sheets of the National Quotation Bureau or any similar system then in use, or if no such quotations are available, the fair market value on the date in question of a share as determined by a majority of the Continuing Directors in good faith; and (c) in the case of property other than cash or shares, the fair market value of such property on the date in question as determined in good faith by a majority of the Continuing Directors.
- (9) "Interested Shareholder" means any person (other than the Company or any Subsidiary and other than any profit sharing, employee share ownership or other employee benefit plan of the Company or any Subsidiary or any trustee of a fiduciary with respect to any such plan when acting in such capacity, or any shareholder of Trade Media Holdings Ltd that received shares of the Company pursuant to a Share Exchange Agreement entered into between the Company and such shareholders and certain other parties prior to the listing of the Company's shares on an appointed stock exchange) who (a) is or has announced or publicly disclosed a plan or intention to become the beneficial owner of Voting Shares representing fifteen percent (15%) or more of the vote entitled to be cast by the holders of all then outstanding shares of Voting Shares, or (b) is an Affiliate or Associate of the Company and at any time within the two year period immediately prior to the date in question was the beneficial owner of Voting Shares representing fifteen percent (15%) or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Shares.

- (10) “person” means any individual, firm, company or other entity and shall include any group comprised of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Capital Shares.
 - (11) “Proposed Action” means a Business Combination or any proposal to amend, repeal or adopt any provision of these Bye-Laws inconsistent with these Bye-Laws 155 through 163.
 - (12) “Subsidiary” means any company, wherever organised, of which a majority of any class of equity security is beneficially owned by the Company; provided, however, that for the purposes of the definition of Interested Shareholder set forth in paragraph (9) of this Bye-Law 155, the term “Subsidiary” shall mean only a company of which a majority of each class of equity security is beneficially owned by the Company.
 - (13) The term “Voting Shares” shall mean all Capital Shares which by their terms may be voted on all matters submitted to Shareholders of the Company generally.
156. In addition to any affirmative vote required by law or these Bye-Laws, and except as otherwise expressly provided in Bye-Law 157, a Business Combination with, or proposed by or on behalf of, any Interested Shareholder or any Affiliate or Associate of any Interested Shareholder or any person who thereafter would be an Affiliate or Associate of such Interested Shareholder shall require the affirmative vote of not less than sixty-six and two-thirds percent (66 2/3%) of the votes entitled to be cast by the holders of all the then outstanding Voting Shares, voting together as a single class, excluding Voting Shares beneficially owned by any Interested Shareholder or any Affiliate or Associate of such Interested Shareholders. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law or in any agreement with any national securities exchange or otherwise.
157. The provisions of Bye-Law 156 shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote, if any, as is required by law or any other provision of the Bye-Laws of the Company, if all of the conditions specified in either of the following paragraphs (1) or (2) are met:
- (1) The Business Combination shall have been approved by a majority of the Continuing Directors.
 - (2) All of the following conditions shall have been met:
 - (a) the aggregate amount of the cash and the Fair Market Value as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of Common Shares in such Business Combination shall be at least equal to the highest amount determined under clauses (i) and (ii) below:
 - (i) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers’ fees) paid by or on behalf of the Interested Shareholders for beneficial ownership of Common Shares acquired by it (x) within the two year period immediately prior to the first public announcement of the proposed Business Combination (the “Announcement Date”) or (y) in the transaction in which it became an Interested Shareholder, whichever is higher, in either case as adjusted for any subsequent stock split, stock dividend, subdivision or reclassification with respect to the Common Shares; and

- (ii) the Fair Market Value per share of Common Shares on the Announcement Date or on the date on which the Interested Shareholder became an Interested Shareholder (the “Determination Date”), whichever is higher, as adjusted for any subsequent stock split, stock dividend, subdivision or reclassification with respect to the Common Shares.
- (b) The aggregate amount of the cash and the Fair Market Value as of the date of the consummation of the Business Combination, of consideration other than cash to be received per share by holders of shares of any class or series of outstanding Capital Shares, other than Common Shares, shall be at least equal to the highest amount determined under clauses (i), (ii) and (iii) below:
 - (i) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers’ fees) paid by or on behalf of the Interested Shareholder for any such class or series of Capital Shares in connection with the acquisition by the Interested Shareholder of beneficial ownership of shares of such class or series of Capital Shares (x) within the two year period immediately prior to the Announcement Date or (y) in the transaction in which it became an Interested Shareholder, whichever is higher, in either case as adjusted for any subsequent share split, share dividend, subdivision or reclassification with respect to such class or series of Capital Shares;
 - (ii) the Fair Market Value per share of such class or series of Capital Shares on the Announcement Date or on the Determination Date, whichever is higher, as adjusted for any subsequent share split, subdivision or reclassification with respect to such class or series of Capital Shares; and
 - (iii) (if applicable) the highest preferential amount per share to which the holders of shares of such class or series of Capital Shares would be entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company regardless of whether the Business Combination to be consummated constitutes such an event.
- (c) The consideration to be received by holders of a particular class or series of outstanding Capital Shares shall be in cash or in the same form as previously has been paid by or on behalf of the Interested Shareholder in connection with its direct or indirect acquisition of beneficial ownership of shares of such class or series of Capital Shares. If the consideration so paid for shares of any class or series of Capital Shares varied as to form, the form of consideration for such class or series of Capital Shares shall be either cash or the form used to acquire beneficial ownership of the largest number of shares of such class or series of Capital Shares previously acquired by the Interested Shareholder.
- (d) After the Determination Date and prior to the consummation of such Business Combination; (i) except as approved by a majority of the Continuing Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) payable in accordance with the terms of any outstanding Capital Shares; (ii) there shall have been no reduction in the annual rate of dividends paid on the Common Shares (except as necessary to reflect any stock split, stock dividend or subdivision of the Common Shares), except as approved by a majority of the Common Shares, except as approved by a majority of the Continuing Directors; (iii) there shall have been an increase in the annual rate of dividends paid on the Common Shares as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction that has the effect of reducing the number of outstanding Common Shares, unless the failure so to increase such annual rate is approved by a majority of the Continuing Directors; and (iv) such Interested Shareholders shall not have become the beneficial owner of any additional Capital Shares except as part of the transaction that results in such Interested Shareholder becoming an Interested Shareholder and except in a transaction that; after giving effect thereto, would not result in any increase in the Interested Shareholder’s percentage beneficial ownership of any class or series of Capital Shares.

- (e) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Act shall be mailed to all Shareholders of the Company at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions.) The proxy or information statement shall contain on the first page thereof, in a prominent place, any statement as to the advisability (or inadvisability) of the Business Combination that the Continuing Directors, or any of them, may choose to make and, if deemed advisable by a majority of the Continuing Directors, an opinion of an investment banking firm selected by a majority of the Continuing Directors as to the fairness (or unfairness) of the terms of the Business Combination from a financial point of view to the holders of the outstanding shares of Capital Shares other than the Interested Shareholder and its Affiliates or Associates, such investment banking firm to be paid a reasonable fee for its services by the Company.
- (f) Such Interested Shareholder shall not have any major change in the Company's business or equity capital structure without the approval of a majority of the Continuing Directors.

The provisions of this paragraph (2) shall be required to be met with respect to every class or series of outstanding Capital Shares, whether or not the Interested Shareholder has previously acquired beneficial ownership of any shares of a particular class or series of Capital Shares.

- 158. In the event of any Business Combination in which the Company survives, the phrase "consideration other than cash to be received" as used in paragraphs (23)(a) and (2)(b) of Bye-Law 157 shall include the Common Shares and/or the shares of any other class or series of Capital Shares retained by the holders of such shares.
- 159. A majority of the Continuing Directors shall have power and duty to determine for the purpose of these Bye-Laws 155 through 163, on the basis of information known to them after reasonable inquiry, all questions arising under these Bye-Laws 155 through 163 including, without limitation, (a) whether a person is an Interested Shareholder, (b) the number of shares of Capital Shares or other securities beneficially owned by any person, (c) whether a person is an Affiliate or Associate of another, (d) whether a Proposed Action is with, or proposed by, or on behalf of an Interested Shareholder or an Affiliate or Associate of an Interested Shareholder, (e) whether the assets that are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Company or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of \$15,000,000 or more and (f) whether the assets or securities that are the subject of any Business Combination constitute a Substantial Part. Any such determination made in good faith shall be binding and conclusive on all parties. The good faith determination of a majority of the Continuing Directors on such matters shall be conclusive and binding for all purposes of these Bye-Laws 155 through 163.
- 160. Nothing contained in these Bye-Laws 155 through 163 shall be construed to relieve any Interested Shareholder from any fiduciary obligation imposed by law.
- 161. The fact that any Business Combination complies with the provisions of these Bye-Laws 155 through 163 shall not be construed to impose any fiduciary duty, obligation or responsibility on the Board or any member thereof, to approve such Business Combination or recommend its adoption or approval to the Shareholders of the Company, nor shall such compliance limit, prohibit or otherwise restrict in any manner the Board or any member thereof, with respect to evaluations of or actions and responses taken with respect to such Business Combination.

162. A Proposed Action is presumed to have been proposed by, or on behalf of, an Interested Shareholder or a person who thereafter would become such if (1) after the Interested Shareholder became such, the Proposed Action is proposed following the election of any Director who with respect to such Interested Shareholder, would not qualify to serve as a Continuing Director or (2) such Interested Shareholder, Affiliate, Associate or person votes for or consents to the adoption of any such Proposed Action, unless as to such Interested Shareholder, Affiliate, Associate or person a majority of the Continuing Directors makes a good faith determination that such Proposed Action is not proposed by or on behalf of such Interested Shareholder, Affiliate, Associate or person, based on information known to them after reasonable inquiry.
163. Notwithstanding any other provisions of these Bye-Laws (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law or these Bye-Laws) any proposal to amend, repeal or adopt any provision of these Bye-Laws inconsistent with these Bye-Laws 155 through 163 which is proposed by or on behalf of an Interested Shareholder or an Affiliate or Associate of an Interested Shareholder shall require the affirmative vote of the holders of not less than sixty-six and two-thirds percent (66 2/3%) of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock, voting together as a single class, excluding Voting Stock beneficially owned by such Interested Shareholder; provided, however, that this Bye-Law 163 shall not apply to, and such sixty-six and two-thirds percent (66 2/3%) vote shall not be required for, any amendment, repeal or adoption unanimously recommended by the Board if all of the Directors on the Board are persons who would be eligible to serve as Continuing Directors within the meaning of Bye-Law 155(7).

ADVANCE NOTICE OF SHAREHOLDER PROPOSALS.

164. (1) The matters to be considered and brought before any Annual or Special General Meeting of Shareholders of the Company shall be limited to only such matters, including the nomination and election of directors, as shall be brought properly before such meeting in compliance with the procedures set forth in this Bye-Law and Bye-Law 86.
- (2) For any matter to be properly brought before any Annual General Meeting of Shareholders, the matter must be:
- (i) specified in the notice of Annual General Meeting given by or at the direction of the Board of Directors,
 - (ii) otherwise brought before the Annual General Meeting by or at the direction of the Board of Directors or
 - (iii) brought before the Annual General Meeting in the manner specified in this Bye-Law (x) by a Shareholder that holds of record, at least 1% of the shares of the Company entitled to vote at the Annual General Meeting on such matter (including any election of a director) or (y) by a person (a "Nominee Holder") that holds such shares through a nominee or "street name" holder of record of such shares and can demonstrate to the Company such indirect ownership of, and such Nominee Holder's entitlement to vote, such shares on such matter.
- (3) In addition to any other requirements under applicable law, the Memorandum of Association of the Company and these Bye-Laws, any proposals by Shareholders shall be properly brought before any Annual General Meeting of Shareholders only if notice of any such matter to be presented by a Shareholder at such meeting (a "Shareholder Notice") shall be delivered to the Secretary of the Company at the Registered Office of the Company not less than ninety nor more than one hundred and twenty days prior to the first anniversary date of the Annual General Meeting for the preceding year; provided, however, that if and only if the Annual General Meeting is not scheduled to be held within a period that commences thirty

days before and ends thirty days after such anniversary date (an Annual General Meeting date outside such period being referred to herein as an “Other Meeting Date”), such Shareholder Notice shall be given in the manner provided herein by the later of (i) the close of business on the date ninety days prior to such Other Meeting Date or (ii) the close of business on the tenth day following the date on which such Other Meeting Date is first publicly announced or disclosed.

- (4) Any Shareholder who gives a Shareholder Notice with respect to any matter (other than a nomination for director) proposed to be brought before an Annual General Meeting of Shareholders shall deliver, as part of such Shareholder Notice, the text of the proposal to be presented and a brief written statement of the reasons why such Shareholder favors the proposal and setting forth such Shareholder’s name and address, the number and class of all shares of each class of Share of the Company owned of record and beneficially by such Shareholder, any material interest of such Shareholder in the matter proposed (other than as a Shareholder), if applicable, and, in the case of a Nominee Holder, evidence establishing such Nominee Holder’s indirect ownership of Share and entitlement to vote such Share on the matter proposed at the Annual General Meeting. As used in this Bye-Laws, shares “beneficially owned” shall mean all shares which such person is deemed to beneficially own pursuant to Rules 13d-3 and 13d-5 under the Exchange Act.
- (5) Except as provided for in Bye-Law 86 with respect to nominations for the election of Directors, no matter shall be properly brought before a Special General Meeting of Shareholders unless such matter shall have been brought before the meeting pursuant to the Company’s notice of such meeting.
- (6) In no event shall the adjournment of an Annual General Meeting or a Special General Meeting, or any announcement thereof, commence a new period for the giving of notice as provided in this Bye-Law or Bye-Law 86. This Bye-Law shall not apply to any Shareholder proposal made pursuant to Rule 14a-8 under the Exchange Act.
- (7) The chairman of any meeting of Shareholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall have the power and duty to determine whether notice of matters proposed to be brought before a meeting has been duly given in the manner provided in this Bye-Law or Bye-Law 86 and, if not so given, shall direct and declare at the meeting that such nominees and other matters shall not be considered.

- (1) The name of the Company was changed from “Fairchild (Bermuda), Ltd.” to “Global Sources Ltd.” with effect from 14 April 2000, pursuant to a Resolution passed on 3 April 2000.
- (2) Bye-Law 1(9) has been inserted with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.
- (3) Bye-Law 1(10) has been inserted with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.
- (4) Bye-Law 1(11) has been inserted with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.
- (5) Bye-Law 77 has been amended with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.
- (6) Bye-Law 78 has been amended with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.
- (7) Bye-Law 79 has been amended with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.
- (8) Bye-Law 141 has been amended with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.
- (9) Bye-Law 142 has been amended with effect from 6 May 2002, pursuant to a Resolution passed on 6 May 2002.

Code of Ethics

(updated effective as of January 1, 2014)

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Introduction

Global Sources Ltd. and its subsidiaries (collectively, the “**Company**”) are committed to maintaining the highest standards of ethical conduct.

Ethics is about doing the right things, as an individual and as a director, officer or employee of the Company.

This Code of Ethics, which we refer to herein as the “**Code**”, contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics.

This Code applies to all directors, officers and employees of the Company. We refer to all persons covered by this Code as “**Company Employees**” or simply “**Employees**”.

The Company’s core values are introduced and reinforced to Employees through induction briefings, training and employee communications. Every Employee is expected to conduct himself or herself in line with the Code of Ethics outlined below.

1. Personal Conduct

- 1.1 The individual and collective conduct of Company Employees, in respect of the performance of their duties, should promote the Company’s business interests and activities.
- 1.2 Employee honesty and integrity is essential to ethical business conduct, including the handling of actual or apparent conflicts of interest between an Employee’s personal and professional relationships.
- 1.3 It is essential for every Employee to avoid making any representations or statements (whether verbally or in writing, or in or through whatever form, media, forum or channel) that are untrue, defamatory, or prejudicial to the Company’s rights, interests, image or reputation, to anyone inside or outside the Company.
- 1.4 Employees, other than directors who are not employees of the Company, are not permitted to engage in any freelance or other employment of a part time or full time nature, whether within, or outside working hours, without prior written consent from the Company.
- 1.5 Employees must not make or offer to make any payments to government officials or candidates for public office, either directly or indirectly, in order to influence such government official or candidate or obtain or retain an advantage in the business or other activities of the Company or which could reasonably give the appearance of influencing the Company’s business relationship with such person or organization.
- 1.6 Employees are prohibited from holding or owning a substantial interest in a company (which would include direct or indirect ownership of more than 1% of a company’s outstanding voting securities) that is a competitor, customer or a supplier, or acts as a consultant to or is employed by a customer or supplier, unless the Employee has disclosed such interest to the Company and has obtained the relevant approval.

2. Protecting the Company’s Assets

- 2.1 Confidential and Proprietary Information
 - 2.1.1 Every Employee is responsible for protecting the Company’s confidential and proprietary information. The obligation to preserve such information continues even after employment ends. The Company’s confidential and proprietary information includes, without limitation, information about current and future customers, services and offerings, business plans or projections, earnings and other financial data, personnel information including executive and organizational changes, and software in object or source code form.
 - 2.1.2 Protecting the confidentiality of sensitive information is a requirement for employment and is reflected in the Company’s standard employment agreement. While much of the information about our customers is publicly available once it is published in print media, on the Internet or on other electronic media, Employees should be aware that they may have access to information that should only be discussed or revealed internally on a need-to-know basis. It is critical that Employees follow all Company safeguards and guidelines for protecting such confidential information.
-

- 2.1.3. In order to avoid inadvertent disclosure of sensitive information, Employees should never discuss proprietary information that the Company considers confidential with, or in earshot of, any unauthorized person, including family members or friends. Activities where inadvertent disclosure could occur include a conversation (in person, by telephone or online) in any public area, in a blog or within a social network.

2.2 Insider Information and Securities Trading

- 2.2.1 Employees at every level may see information that, if it became public, could affect the price of the Company's shares or the shares of another publicly listed company. All non-public information about the Company should be considered confidential information. Examples of such information would include new products or services, facility closings, expansions, or mergers and acquisitions. Using such information to trade the stock or other securities of the Company or a third party involved in a Company transaction or revealing this information to anyone – even family members – before it is made public could subject the Employee and the Company to substantial civil and criminal liabilities or penalties.

2.3 Use of Company's Resources

- 2.3.1 Every Employee is expected to use good judgment in the use of Company resources. Company assets and facilities, including equipment, information and communication systems (including the Company's connections to the Internet), corporate charge cards and supplies, should be used only for functions related to the business of the Company. Any personal use of Company resources must be authorized and must not result in significant additional costs, or disruption of business processes, or other disadvantages to the Company.

3. Employees

3.1 Fair Employment Practices

- 3.1.1 Management is committed to carrying out policies promoting equal employment opportunities for all Employees.

3.2 Safety and Health Guidelines

- 3.2.1 The Company is committed to providing a safe and healthy working environment for its Employees and its visitors.
- 3.2.2 Each Employee is expected to report to work free from the influence of any substance that could prevent him or her from engaging in work activities safely and effectively.
- 3.2.3 Each Employee is expected to know the safety procedures and regulations for his or her workplace.

Anti-harassment Policy

3.3

- 3.3.1 In this Code, **“Conduct”** means any conduct, behavior, action, activity or statement (whether done or made verbally or in writing, or in or through whatever form, media, forum or channel).
- 3.3.2 Any discriminatory or harassing Conduct, whether based on race, color, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, age, or any other factors that are unrelated to the Company's legitimate business interests, or any Conduct involving the systematic bullying (including threats or violent behavior) or vilification of any Employee, whether occurring in or outside the workplace (including without limitation at Company- or employment-related events or activities outside the workplace, or in or through short message service (SMS) or similar systems, online blogs or social media), is not acceptable.

- 3.3.3 An Employee who witnesses or discovers any such unacceptable Conduct is expected to report its occurrence to the appropriate authority in the Company.

4. Business Partners

4.1 Ethical Business Relationship

- 4.1.1 The Company is committed to deal only with contractors, subcontractors, agents, representatives, service providers, licensees and other business partners who themselves adhere to acceptable legal requirements, appropriate business practices and ethical performance in their business relationships.

4.2 No Solicitation or Acceptance of Payments or Gifts

- 4.2.1 Employees must not exert or attempt to exert influence to obtain special treatment for a particular business partner. Even appearing to do so can undermine the integrity of the Company's established procedures. Seeking reciprocity is contrary to the Company's policy and may also be unlawful. To this end, Employees must not solicit or accept, either directly or indirectly, any payments or gifts (whether monetary or in kind) or any offer of any payments or gifts (whether monetary or in kind), from or made on behalf of actual or potential contractors or business partners of the Company, in exchange for or in connection with any express or implied actual, potential, promised or expected provision of an advantage to such contractors or business partners in connection with their actual or potential business or dealings with the Company.

5. Shareholders and Investors

5.1 Accuracy of Company Records

- 5.1.1. The Company is committed to maintaining its books, invoices, records, accounts, financial statements, funds and assets in proper condition and to reflect fairly and accurately and in reasonable detail, the underlying transactions and disposition of the Company's business. Misrepresenting facts or falsifying records for any reason is not acceptable. Further, the rules for accounting and financial reporting prohibit anyone from assisting others to account improperly or make false or misleading financial reports. Employees must not assist anyone to record or report any information inaccurately or in a way that could be misleading.

5.2 Timely and Accurate Public Disclosure

- 5.2.1. The Executive Chairman and/or Chief Executive Officer, and all senior financial officers of the Company, including the Chief Financial Officer and principal accounting officer, are responsible for full, fair, accurate, timely and understandable disclosure in periodic reports and documents that the Company files with, or submits to, the United States Securities and Exchange Commission. Accordingly, each such officer shall promptly bring to the attention of the Board of Directors of the Company any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings, including, but not limited to, information concerning:
- (a) significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data;
 - (b) any fraud, whether or not material, or any violation of this Code that involves management or other Employees who have a significant role in the Company's financial reporting, disclosures or internal controls; and
 - (c) a material violation of the securities laws, rules or regulations applicable to the Company, including the securities laws of the United States.

6. Community and Society

6.1 Environmental Concerns

- 6.1.1 The Company is committed to operating its facilities wherever they are located in compliance with applicable environmental, health and safety regulations.

6.2 Communicating with External Audiences

- 6.2.1 Requests for Company information from the media should be directed to Corporate Communications to ensure professional and consistent representation. Only those individuals designated by the Company may represent the Company in dealings with the public.
- 6.2.2 Requests for information from financial analysts and/or shareholders should be directed to Investor Relations for an appropriate response.
- 6.2.3 Every Employee is expected to cooperate with reasonable requests for information from government agencies and regulators, and to consult with the Legal Department before responding to any non-routine requests. All information provided for such requests should be responsive and accurate.

7. Compliance with Applicable Laws, Rules and Regulations

- 7.1 The Company conducts business globally where laws, customs, and social requirements may vary. In our business dealings, the Company is committed to abide by the laws, customs and norms of the host nations and communities in which we operate. All Employees must respect and obey the laws of the cities, states and countries in which the Company operates. Although not all Employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers, or other appropriate personnel.

8. Reporting Violations of the Code

- 8.1 If any Employee feels that he or she has been unfairly treated or harassed by co-workers, supervisors or by fellow Employees, or observes or has concerns about violations of this Code, or unethical or illegal activities, the Employee should take appropriate and consistent action to report the concerns to his or her Supervisor or the Human Resources Department.
- 8.2 The Company will not permit retaliation of any kind against those making good faith reports of violations of applicable laws, rules, and regulations or this Code. Any Employee who retaliates in any way in response to such reports will be subject to disciplinary action.

9. Observance of this Code

- 9.1 Observance of the provisions of this Code is of extreme importance to the Company. A violation of this Code will be regarded as a serious offense and may constitute grounds for disciplinary action, which may include termination of employment or removal from the Board of Directors, as applicable.

10. Questions

- 10.1 This Code is not intended to be a comprehensive rulebook and cannot address every situation that our Employees may face. Any Employee who has any questions or requires any guidance regarding the Code is encouraged to contact his or her Supervisor. If an Employee is uncomfortable discussing the issue with his or her Supervisor, he or she may approach the Human Resources Department.

– End of document –

Second-Hand Real Estate Sales Contract of Shenzhen Municipality

Urban Planning Land and Resources Commission of Shenzhen Municipality

Market Supervision Administration of Shenzhen Municipality

2011 Version

Second-Hand Real Estate Sales Contract of Shenzhen Municipality

Shen (Fu) Fang Xian Mai Zi (2013) No.9423

Notice :

For the purpose of protecting legitimate rights and interests of the vendor and the purchaser, parties are recommended to read the following contents carefully before executing this contract:

1. Text of this contract is generated from “Shenzhen Second Hand Transaction of Real Estate On-line System”. The parties may agree, through negotiation, to amend or supplement the terms and conditions of this contract, which, however, must comply with the laws, regulations and agreement of grant of the land-use right in relation to the subject real estate.
 2. Before executing this contract, the parties may request the counter-party to present their identifications card, business license, certificate of real estate ownership and land-use right and other documents of proof for verification. The parties shall read the contents of this contract thoroughly and carefully verify the contents which need to be selected, supplemented or revised. If there is any doubt on terms and conditions of this contract, the parties are recommended to consult with legal professionals.
 3. Before executing this contract, the purchaser shall conduct an on-site visit to the subject real estate, and be familiar with and fully understand the neighborhood environment, traffic, schools as well as the household register, the education quota attaching to the real estate. The vendor is also obligated to provide genuine information which may affect the transaction, including the status of real estate ownership, lease, and the household register.
 4. For the safety of the payment in transaction, the payment is recommended to be remitted to a bank escrow account for funds supervision, and the parties shall specify the details of the designated bank escrow account and the payment terms by way of agreement.
 5. Upon this contract coming into force, all of the unmodified printed text, as well as effective characters and notations written in the blank shall be deemed as part of the agreement made by the parties. The appendix and supplementary of this contract have the equal legal force upon execution by the parties.
 6. In the event that the purchaser needs to apply for mortgage loan, the purchaser shall have a comprehensive understanding on the requirements and the application documents prior of such application.
 7. The execution of this contract shall not be deemed as having the effect of transfer of ownership. The transfer of ownership shall only be deemed as completed if the registration of transfer has been processed by the registration authority of land and real estate. Please note that the real estate may be subject to attachment or other extraordinary circumstances in the period from the execution of this contract to the completion of the registration of transfer. Please kindly be reminded of such risk.
 8. The published information of the real estate shall be real and effective, and shall have 12-digit property information code (e.g.1234-1234-1234). For the purpose of protecting the parties’ legitimate interests, the parties may log on ris.szpl.gov.cn or www.srba.net.cn and key in the property information code to verify the status of the ownership, in order to prevent the risk of selling one real estate to multiple buyers.
-

Basic Information of the Parties:

The Vendor (“Party A”):

Name of the Company or Institution: Global Sources Properties (Shenzhen) Co., Ltd

Business License Number: 44030150326702

Percentage of Shares To Sell: 100%

Post Code:

Contact No.:

Contact Address: 35th Floor, Shenzhen International Chamber of Commerce Tower, No. 168 Fuhua Road 3, Futian District, Shenzhen

The Purchaser ("Party B"):

Name of the Company or Institution: Shenzhen Fu Xin Tai Investment & Development Co., Ltd

Percentage of Shares to Purchase: 100%

Post Code: 518000

Contact No.:

Contact Address: Room 2106-05, Tian Li Commercial Central Square (2nd Stage) Hou Hai Avenue East, Nanshan District, Shenzhen

The contract (hereunder referred to as the “ **Contract** ”) as follows, with reference to sales of the relevant real estate as described hereunder, is entered into by and between Party A and Party B, based upon equality, free will, fairness and friendly negotiation, in pursuance with Contract Law of People’s Republic of China, Law of the People's Republic of China on the Administration of Urban Real Estate, Regulations of Shenzhen Special Economic Zone on Transfer of Real Estate and other relevant laws and regulations.

Clause 1 Descriptions of the Real Estate

The subject real estate (hereunder referred to as the “ **Real Estate** ”) is located at **Unit of 46th Floor, Excellence Times Square , Intersection of Yitian Road and Fuhua Road, Futian District, Shenzhen .**

The Real Estate Ownership Certificate No. is. The purpose of usage is **Office Use**.

The registered construction area is _ square meters, and the built-up area is _ square meters.

The land-use right begins from **18th March 2002** to **17th March 2052**. The construction of the Real Estate was completed on **October 2006**.

Currently the property management company for the Real Estate is , the property management service fee is RMB_/(□ :) per square meters of construction area per month.

Clause 2 Legal Status of the Ownership

The Real Estate is free from mortgage or attachment, which is entirely at Party A’s control and disposal.

Clause 3 Status of Lease

The status of Lease of the Real Estate is **1.**:

1. No Lease on the Real Estate;
2. There is a lease on the Real Estate The lease agreement is shown as Appendix (Leasing No.____/____) and the monthly rental is RMB____/____ (□ :____/____). The term of lease is from ____/____ (Date) ____/____ (Month) ____/____ (Year) to ____/____ (Date) ____/____ (Month) ____/____ (Year). Party A shall obtain waiver of priority of purchase or written proof of waiver of right of purchase from the lessee before execution of Second-Hand Real Estate Sales Contract of Shenzhen Municipality, otherwise it will be deemed as a breach of the Contract by Party A. Party A and Party B are agreed to deal with the lease agreement by method ____/____ as follows (only choose one):
 - a) After Transfer of ownership, the original lease agreement is still binding on Party B within its validity period. Party A shall assist Party B in signing new lease agreement with lessee and transfer the deposit/guarantee and advance rental (if any) paid by the lessee to Party B before the date of____/____, and Party B assumes all rights and obligations under the original lease agreement upon the date of____/____.
 - b) Party A shall terminate the original lease agreement before handing-over the Real Estate to Party B, and Party B does not bear any liability for disputes arising from the original lease agreement.

Clause 4 Household Register Attaching to the Real Estate

Party A undertakes the obligation to remove the household register attaching to the Real Estate on the same day when Party A receives the Price for the transaction of the Real Estate, failing which Party A shall pay the penalty being ‰ of the Price per day to Party B.

Clause 5 Price for the Sales of the Real Estate

The total price for the sales of the Real Estate is: , exclusive of taxes and fees (hereunder referred to as the “ **Price** ”).

Clause 6 Deposit

The Deposit is RMB (☐ : /) and Party B is agreed to pay the deposit in the following manners:

The amount of RMB (☐ /) shall be made as first deposit to Party A upon the execution of this Contract.

The amount of RMB (☐ /) shall be made as remainder deposit to Party A within days upon the execution of this Contract.

The aforementioned deposit is recommended to be remitted to a bank escrow account for funds supervision. Party A will be deemed to have received the deposit once Party B remits such deposit by the due dates into the escrow account. Unless otherwise agreed, deposit will be automatically become part of the Price upon Party A and Party B handling the ownership transfer procedures.

Clause 7 Guarantee for Delivery

For the avoidance of risks in transaction, and for the purpose of urging Party A to deliver the Real Estate in due time and pay off all the costs, Party A and Party B agree to set aside the amount of RMB (☐ /) from the Price as guarantee for delivery (not exceeding 5% of the Price). The guarantee shall be dealt with by method 1. as follows:

1. held by stakeholders;
2. Others: _____/_____.

Clause 8 Payment Terms for the Sales of the Real Estate

The payment made by Party B, including the deposit and the Price, is recommended to be remitted to the bank escrow account for funds supervision.

Party B shall make the amount of as the remaining price except deposit and guarantee by method 3. as follows:

1. Lump-sum Payment

Party B shall pay the aforementioned price to the bank escrow account agreed by the Parties by and before (Date) (Month) (Year).

2. Party B Making Payment with Bank Mortgage

- a) Party B shall pay the amount of RMB ☐ ___/___ being remainder of first installment except deposit and guarantee to the bank escrow account agreed by the Parties by and before ___/___ (Date) ___/___ (Month) ___/___ (Year).
- b) Party B shall submit the relevant documents to bank for application of mortgage loan by and before ___/___ (Date) ___/___ (Month) ___/___ (Year), and coordinate with the bank in handling the loan approval procedures. The mortgage lending amount is subject to the lending amount undertaken to be granted by the bank.
- c) In case the lending amount undertaken to be granted by the bank is insufficient to pay for the balance of the price for the Real Estate, Party A and Party B agree to deal with the matter by method ___/___ as follows:
 - i. Party B shall make up the deficiency within three days upon the bank issuance of Letter of Undertaking to Lend;
 - ii. Terminate the Contract, and Party A shall fully refund ___/___ and other payments already made by Party B within three days upon termination of the Contract.

3. Other payment terms agreed by Party A and Party B:

Party B shall pay the Price in full to the bank account designated by Party A before 7th May 2013

Aforementioned payment is recommended to be remitted by Party B to the bank escrow account agreed by Party A and Party B.

Clause 9 Party B's Liability for Delay in Payment

In the event that Party B delays in making payment (except when the Party B's delay is caused by the reason due to the bank loan), Party A is entitled to demand Party B to bear the liability for breaching the Contract according to method 2. as follows:

1. Demand Party B to pay the penalty being 4 ‰ of the outstanding price per day, and the Contract shall remain in full force.
2. Be entitled to terminate the Contract and request Party B to pay the penalty being 20 % of the Price for Real Estate.

Clause 10 Undertaking of Taxes and Fees

In accordance with relevant legal provisions, Party A shall undertake the following taxes and fees: (1) Business Tax; (2) Urban Construction and Maintenance Tax; (3) Education Tax Surcharge; (4) Stamp Duty; (5) Personal Income Tax; (6) Land Value-Added Tax; (7) Land and Real Estate Transaction Service Fee; (8) Land-use Fee. (9) Advance Re-payment Short-Term Lending Interest; (10) Advance Re-payment Penalty Interest.

Party B shall undertake the following taxes and fees: (11) Stamp Duty; (12) Deed Tax; (13) Ownership Registration Fee; (14) Land and Real Estate Transaction Service Fee; (15) Stamp Duty for the Certificate of Ownership; (16) Mortgage Registration Fee; (17) Notarization Fee for the Loan(Mortgage) Agreement; (18) Notarization Fee for POA.

Other fees: (19) Ownership Inquiry Fee; (20) Notarization Fee for the Real Estate Sales Contract; (21) Evaluation and Appraisal Fee; (22) Legal Costs; (23) Insurance Costs; (24) Others____/____ (subject to the taxes and fees actually incurred).

Upon Parties' negotiation, it is agreed that:

The aforesaid Items (1) to (10) shall be borne by Party A.

The aforesaid Items (11) to (18) shall be borne by Party B.

Other additional taxes and fees arise during the performance of this Contract due to legal, statutory and policy reason shall be dealt with by method 1. as follows:

1. Shall be borne by the paying party as stipulated by relevant law, regulation and policy.
2. Parties agree that / shall be the paying party.
3. Others: Party A bears /%; and Party B bears /%.

The legal liability for the aforementioned taxes and fees which shall be borne by Party A and/or Party B will not be changed according to the variation of the paying party by Parties' agreement.

Any Party who does not pay the relevant taxes and fees according to the agreement or to the stipulations of law or policy, and thus causing the transaction unable to continue, shall pay to another Party the penalty being 20% of the Price for Real Estate.

Clause 11 Delivery of the Real Estate

Party A shall deliver the Real Estate to Party B **within two(2) working days after the day when Party A receives full amount of the Price and when Shenzhen Real Estate Ownership Registration Center accepts the application for the registration of transferring the ownership of the Real Estate and issues the return receipt**, and Party A shall further handle the following formalities:

1. Party A and Party B shall mutually examine the Real Estate and the ancillary fittings, appliances, fixtures, decorations and check the list of inventories, and take record of the water, electricity and gas readings, and handle the delivery formalities.
2. Deliver the keys of the Real Estate.
3. /.

Clause 12 Liability for Delay in Delivery

Except otherwise agreed herein, if Party A fails to deliver the Real Estate by the due date herein, Party A shall pay the penalty being 4 ‰ of the Price per day to Party B, from the second day of the agreed delivery date to the actual delivery date, and the Contract shall remain in full force.

Clause 13 Handling of Collateral Obligation

Upon delivery of the Real Estate, Party A shall pay off all costs associated with the Real Estate, including water charges, electricity charges, gas charges, telephone bills, cable TV bills, property management fees, garbage cleaning fees and /, and deliver the payment receipts to Party B for confirmation, otherwise Party B is entitled to deduct the aforesaid costs from the guarantee.

Clause 14 Registration of Transfer of Ownership

Within 5 days upon execution of this Contract, Parties shall jointly apply to the registration authority of land and real estate to proceed with the procedures for registration of transfer of ownership.

Within 5 days upon the expiration of reply date specified on the acknowledge receipt, Party A and Party B shall handle the tax payment formalities, The Real Estate Ownership Certificate shall be collected by Party B.

In case Party B owns the mortgage obligation, it shall handle the formalities related to registration of mortgage within 5 working days upon receipt of new Real Estate Ownership Certificate.

Clause 15 Other Liabilities for Breach of Contract

In case any Party fails to perform its obligations under the Contract and further frustrates the purpose of the Contract, the non-breaching Party is entitled to either apply the punitive rule of deposit or demand another party to pay the penalty being 20 % of the Price.

Clause 16 Force Majeure

Unless otherwise provided in law,, failures of any Party in performance of its obligation herein due to force majeure shall be exempted from incurring liability in whole or in part, depending on the influence degree of the force majeure. Such Party encountering the force majeure and failing to perform its obligation shall promptly notify another Party and submit to another Party the supporting documents within 7 days upon the ending day of the force majeure.

Clause 17 Resolution of Inconsistency Between this Contract and Other Documents

This Contract shall prevail over any undertakings or agreements signed by Parties before the execution of this Contract in case of any inconsistency.

Clause 18 Appendix (es)

There is 1 copy of Appendix attaching to this Contract, all of which shall form an integrate part of the Contract and have the same legal force.

Clause 19 Governing Law and Dispute Resolution

All disputes arising from or in connection with this Contract shall be settled by both Parties through negotiations. In case Parties fails to resolve by negotiation, such disputes shall be dealt with by method 3. as follows and governed by laws of People's Republic of China:

1. Disputes shall be submitted to Shenzhen Arbitration Commission for arbitration; or
2. Disputes shall be submitted to South China International Economic and Trade Arbitration Commission for arbitration (also known as "Shenzhen Court of International Arbitration"); or
3. A suit may be filed in People's Court.

Clause 20 Counterparts and Preservation

This Contract is executed in 4 counterparts, Party A holding 1 counterpart, Party B holding 1 counterpart and the rest shall be submitted to the competent authorities and all counterparts shall have the same legal force.

Clause 21 Delivery

The Addresses herein provided in by the Parties are the delivery address.

Clause 22 Legal Force

This Contract shall come into legal force upon both Parties' signature (seal).

The Transaction Risk Alert after Issuance of “*The Supplementary Circular Regarding Further Implementing and Emphasizing on the Essence of the State Council’s Document on Firmly Curbing Excessive Growth In Property Prices*”

On 30th September 2010, General Office of Shenzhen Municipal Government issued the “*The Supplementary Circular Regarding Further Implementing and Emphasizing on the Essence of the State Council’s Document on Firmly curbing Excessive Growth In Property Prices*” (Shen Fu Ban [2010] No. 82), which clearly states that Shenzhen will be temperately implementing the policy that restricts the number of houses a resident household is permitted to purchase. Resident household registered locally (including part of the family members are local resident household), is permitted to purchase up to two residential real estates; Resident household not locally registered but being able to provide one year and above tax payment receipt or social insurance payment proof, is permitted to purchase one residential real estate. The local resident household who has already owned more than two residential real estate (inclusive of two), and the non-local resident household who has owned more than one residential real estate (inclusive of one), and the non-local resident household who is unable to provide one year and above tax payment receipt or social insurance payment proof is not permitted to purchase any residential real estate in Shenzhen. The relevant regulations shall also be strictly implemented upon the purchase of real estate by foreign entities or foreign individuals.

Party A and Party B are required to carefully verify themselves whether the purchasing conditions are satisfied in accordance with the requirements of *Circular of Shen Fu Ban [2010] No. 82*. The relevant municipal authorities will not attend to the record filing of commercial real estate, or the sales of the new real estate or transfer of ownership of second-hand real estate if the requirements are not satisfied. Any transaction is null and void if such transaction was completed through provision of false information or materials, and Party A and Party B shall bear their own legal liabilities arising therefrom.

Declaration:

I/we have been explicitly informed of the relevant real estate purchase restriction policy (Guo Fa [2010] No. 10 and Shen Fu Ban [2010] No. 82), and required to provide relevant genuine proof documents. Should there be any legal liabilities arising from provision of false information or non-conformity with the policy requirements the undersigned is willing to bear all the legal liabilities arising therefrom. Hereby certify.

System Alert: Party B shall copy the above declaration into the following column and sign (by all of the Party B).

Declaration:
Signature:

Party A (Seal):

Party B (Seal):

Authorized Representative (Seal)

Authorized Representative (Seal)

Date: 27th April 2013

Date: 27th April 2013

Appendix 1:

Parties hereby agree on the following additional terms:

1. Through negotiations, Parties hereby agree on and jointly conclude the following terms (hereinafter referred to as the “**Supplementary Terms**”) as the supplements and amendments of Second-Hand Real Estate Sales Contract of Shenzhen Municipality (Shen (Fu) Fang Xian Mai Zi (2013) No. 9423) (hereinafter referred to as the “**Contract**”).The Supplementary Terms is an integral part of the Contract, and the terms and conditions of the Supplementary Terms shall prevail over the terms and conditions setting forth in the main text of the Contract in case of any inconsistency.
2. **Supplementary Term for Clause 1 of the Contract:** Areas of the registered construction area and the built-up area (hereinafter referred to as the “**Agreed Area**”) is filled in according to the information recorded on the Real Estate Ownership Certificate held by Party A. Party B confirms that Party B has already conducted an on-site visit to the Real Estate and are fully aware of the current status of the Real Estate. Therefore, no matter whether the actual measuring construction area is equivalent to the Agreed Area, Parties will not adjust the Price setting forth in Clause 5 of the Contract.
3. **Supplementary Term for Clause 3 of the Contract:** Party A warrants that Party A holds the complete ownership for the Real Estate, which is free from mortgage, attachment, lease or other legal encumbrances upon the time of execution of the Contract.
4. **Supplementary Term for Clause 4 of the Contract:** Party A warrants that upon the time of execution of the Contract, there is no household register attaching to the Real Estate.
5. **Supplementary Term for Clause 6 of the Contract:** The transaction of the Real Estate does not involve deposit. Party B shall remit the lump-sum payment to Party A in accordance with Clause 8 of the Contract to the bank account designated by Party A.
6. **Amendment for Clause 7 of the Contract:** No guarantee is set aside for the transaction of Real Estate. Party A shall deliver the Real Estate to Party B in accordance with Clause 11 of the Contract in due time.
7. **Amendment for Clause 9 of the Contract:** In the event that Party B fails to remit the full payment of Price to the bank account designated by Party A before 7th May 2013, Party B shall pay the penalty for delay being 5 %~~000~~ of the outstanding amount per day. In the event that Party B fails to make the full payment of the Price before 31st May 2013, Party A is entitled to unilaterally terminate the Contract by notice and demand Party B paying the penalty being 20% of the Price.

8. **Supplementary Term for Clause 11 of the Contract:** Party A shall deliver the Real Estate on an “as is” basis. Parties shall execute a confirmation letter of delivery in writing on the date of delivery. Upon executing the confirmation letter, all risks in relation to the Real Estate shall be transferred to Party B. For the avoidance of doubt, Party A reserves the right to remove the removable or demountable furniture, facilities and other fittings (hereinafter referred to as the “**Removable Fittings**”). In the event that Party B requests to retain the Removable Fittings in whole or in part, Party B shall make correspondingly compensation to Party A , the exact amount of which shall be separately negotiated by both Parties. If Party B requests Party A to demolish or restore the fittings of the Real Estate, all cost required for such demolition or restoration shall be solely borne by Party B. From the next day following the date of delivery of the Real Estate to Party B, all property management fees, water and electricity bills, air-conditioning usage fees and other costs related to the Real Estate shall be borne by Party B.
9. **Amendment for Clause 14 of the Contract:** Within three (3) working days upon execution of the Contract and the payment of Price to the bank account designed by Party A, Parties shall prepare all documents required for registration of transfer of the ownership of the Real Estate, and jointly apply to the registration authority of land and real estate to proceed with procedures for the registration of ownership transfer. Party B shall collect The Real Estate Ownership Certificate and on the same day provide one (1) photocopy of the Real Estate Ownership Certificate with the company seal of Party B to Party A.

Summary Table of Property Units and Prices.
Name of Office Building: 46 Floor, Excellence Times Square, Intersection of Yitian Road and Fuhua Road,
Futian District, Shenzhen, China

Office Building Details						
Floor	No. of Unit	Gross Area (M(2))	In RMB	In USD	In RMB	In USD
			Unit Price(sqm)	Unit Price(sqm)	Total Amount	Total Amount
46	01	465.41	62,000.00	10,130.72	28,855,420.00	4,714,937.91
	02	69.68	62,000.00	10,130.72	4,320,160.00	705,908.50
	03	105.22	62,000.00	10,130.72	6,523,640.00	1,065,954.25
	04	103.41	62,000.00	10,130.72	6,411,420.00	1,047,617.65
	05	215.13	62,000.00	10,130.72	13,338,060.00	2,179,421.57
	06	465.41	62,000.00	10,130.72	28,855,420.00	4,714,937.91
	07	69.68	62,000.00	10,130.72	4,320,160.00	705,908.50
	08	105.22	62,000.00	10,130.72	6,523,640.00	1,065,954.25
	09	340.22	62,000.00	10,130.72	21,093,640.00	3,446,673.20
Total		1939.38			120,241,560.00	19,647,313.74

Note: Exchange rate: USD 100:RMB 612

Allen & Gledhill

Dated _____

MONTROSE PROPERTY PTE LTD

and

MEDIA DATA SYSTEMS PTE LTD

**SALE AND PURCHASE AGREEMENT RELATING TO
1 SIMS LANE #08-01 SINGAPORE 387355**

ALLEN & GLEDHILL LLP
ONE MARINA BOULEVARD #28-00
SINGAPORE 018989

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This Agreement is made on _____ between :

- (1) **MONTROSE PROPERTY PTE LTD** (Company Registration No. 199002253C), a company incorporated in Singapore with its registered office at 1 Sims Lane #08-01 One Sims Lane Singapore 387355 (the “ **Vendor** ”); and
- (2) **MEDIA DATA SYSTEMS PTE LTD** (Company Registration No.199001601W), a company incorporated in Singapore with its registered office at 1 Sims Lane #08-01 One Sims Lane Singapore 387355 (the “ **Purchaser** ”).

Whereas :

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Property, upon the terms and subject to the conditions of this Agreement.

It is agreed as follows:

1. Definitions and Interpretation

1.1 Definitions : In this Agreement, unless there is something in the subject or context inconsistent therewith:

“ **Accessory Lots** ” means Lots A10X, A11L, A12C, A13M and A14W of Mukim 24.

“ **Assignment of Tenancy Agreements** ” means the assignment of tenancy agreements referred to in Clause 9.2.

“ **Authority** ” means any Singapore governmental, semi-governmental, administrative, regulatory, fiscal or judicial, local or statutory agency, authority, body, commission, department, exchange, tribunal or entity.

“ **Building** ” shall have the meaning ascribed to it in Clause 5.2.1.

“ **Business Day** ” means a day (other than a Saturday, Sunday or a gazetted public holiday in Singapore) on which commercial banks are open for business in Singapore.

“ **Common Property** ” shall have the meaning ascribed to it in Clause 5.2.1.

“ **Completion** ” means the completion of the sale and purchase of the Property under the terms of this Agreement.

“ **Completion Date** ” means shall have the meaning ascribed to it in Clause 11.1.1.

“ **Conditions Fulfilment Date** ” means:

- (i) the date the Vendor’s Fulfilment Notice is issued by the Vendor and received by the Purchaser pursuant to, and in compliance with, Clause 4.2.3; or
-

(ii) the date the Purchaser's Fulfilment Notice is issued by the Purchaser and received by the Vendor pursuant to, and in compliance with, Clause 4.3.2,

whichever is the later date.

"Deposit" means the sum of S\$835,000.

"Encumbrance" means a mortgage, charge, pledge, lien, security interest or encumbrance or any other agreement or arrangement having substantially the same economic effect, including any retention of title arrangement, option or first right of refusal for purchase, affecting the title to the Property.

"Existing Tenancy Agreement" means the Tenancy Agreement dated 1 March 2013 made between the Vendor (as landlord) and EnviroSolutions & Consulting Pte Ltd (as tenant) in respect of part of the Property.

"GST" means the goods and services tax (which includes any imposition, duty or levy) chargeable under the Goods and Services Tax Act, Chapter 117A of Singapore.

"Land Lot" refers to the whole of Lot 8390P of Mukim 24 comprised in Certificate of Title Volume 554 Folio 134 on which the Building is erected.

"Legal Requisition Termination Notice" shall have the meaning ascribed to it in Clause 5.1.

"Legal Requisitions" means the formal enquiries sent to (a) the Inland Revenue Authority of Singapore, (b) the Environmental Health Department, National Environment Agency, (c) the Central Building Plan Unit, National Environment Agency, (d) the Building and Construction Authority, (e) the Land Transport Authority - Rapid Transit Systems, (f) the Land Transport Authority (Street Works), (g) the Water Reclamation (Network) Department, Public Utilities Board and (h) the Urban Redevelopment Authority and shall include the Road Line Plan, the Railway Protection Plan (if any) and the Drainage Interpretation Plan and all correspondence arising from the original requisitions and plans and **"Legal Requisition"** shall mean any of the foregoing.

"Long Stop Date" means the day falling two months from (and including) the date of this Agreement.

"New Tenancy Agreements" means the tenancy agreements in respect of the Property or part thereof, entered into by the Vendor with third parties after the date of this Agreement in compliance with the provisions of Clause 8.1.9, and **"New Tenancy Agreement"** means any one of them.

"Other Property" means the whole of the property comprised in Lot U33764A of Mukim 24 held under Subsidiary Strata Certificate of Title Volume 656 Folio 38 and known as 1 Sims Lane #07-01 Singapore 387355.

“ **Other Purchaser** ” means Phillip Securities Pte Ltd (Company Registration No. 197501035Z), a company incorporated in Singapore and having its registered office at 250 North Bridge Road #06-00 Raffles City Tower Singapore 179101.

“ **Other Sale and Purchase Agreement** ” the sale and purchase agreement in respect of the sale by the Vendor of the Other Property to the Other Purchaser.

“ **Outgoings** ” means, in respect of the Property, rates and taxes (other than the Vendor’s income tax) and includes, but is not limited to, all charges, assessments, duties and fees levied, assessed or charged by the relevant Authorities in relation to the Property and all maintenance fees, sinking fund contributions and any other payments and contributions levied by the Management Corporation in relation to the Property.

“ **Parties** ” means the Vendor and the Purchaser and their respective successors and permitted assignees, and “ **Party** ” means either of them.

“ **PCD** ” means the Pollution Control Department of the Ministry of Environment.

“ **Property** ” means the whole of Lot U33765K of Mukim 24 together with the Accessory Lots held under Subsidiary Strata Certificate of Title Volume 656 Folio 39 and known as 1 Sims Lane #08-01 Singapore 387355.

“ **Purchase Price** ” means the amount specified in Clause 3.1.

“ **Purchaser’s Existing Tenancy Agreement** ” shall have the meaning ascribed to it in Clause 10.1.

“ **Purchaser’s Fulfilment Notice** ” shall have the meaning ascribed to it in Clause 4.3.2.

“ **Purchaser’s Solicitors** ” means Allen & Gledhill LLP.

“ **Purchaser’s Use Clearance** ” means the written approval/consent/clearance from the PCD for the Purchaser’s specific use of the Property or, as the case may be, written notification from the PCD that such approval/consent/clearance from PCD is not required.

“ **S\$** ” and “ **Singapore Dollars** ” means the lawful currency of the Republic of Singapore.

“ **Sale Clearance** ” means the written clearance from the PCD for the sale of the Property by the Vendor to the Purchaser or, as the case may be, written notification from the PCD that such clearance from PCD is not required.

“ **Security Deposit** ” shall have the meaning ascribed to it in Clause 9.4.1.

“ **Subtenancy Agreement** ” shall have the meaning ascribed to it in Clause 10.4.1.

“ **Subtenant** ” means Transcontainer Limited Singapore Branch (Registration No. T04FC6496F), a company incorporated in Singapore and having its registered office at 1 Sims Lane #08-02 Singapore 387355.

“ **Tenancy Agreements** ” means, collectively, the Existing Tenancy Agreement and the New Tenancy Agreements, and “ **Tenancy Agreement** ” means any one of them.

“ **Tenancy Revenues** ” means the rent and service charge and other moneys payable by the Tenants from time to time pursuant to the Tenancy Agreements, but excluding the Security Deposits.

“ **Tenants** ” means the tenants under the Tenancy Agreements, and “ **Tenant** ” means any one of them.

“ **Transfer Instrument** ” shall have the meaning ascribed to it in Clause 11.2.1.

“ **Vendor’s Designated Bank Account** ” shall have the meaning ascribed to it in Clause 3.2.1.

“ **Vendor’s Fulfilment Notice** ” shall have the meaning ascribed to it in Clause 4.2.3.

“ **Vendor’s Solicitors** ” means Engelin Teh Practice LLC.

- 1.2 Statutory Provisions** : Any reference in this Agreement to a statutory provision shall include that provision and any regulations made in pursuance thereof as from time to time modified or re-enacted, whether before or after the date of this Agreement, so far as such modification or re-enactment applies or is capable of applying to any transactions entered into prior to Completion and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision or regulation (as from time to time modified or re-enacted) which such provision or regulation has directly or indirectly replaced.
- 1.3 Miscellaneous** : The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement. Unless the context otherwise requires, words (including words defined in this Agreement) denoting the singular number only shall include the plural and vice versa. The words “ **written** ” and “ **in writing** ” include any means of visible reproduction. Unless otherwise specified, references to “ **Clauses** ” are to be construed as references to the clauses of this Agreement. References to times of day are to Singapore time unless otherwise stated.
- 1.4 Construction** : This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.
- 1.5 Conversion Rate** : For the purposes of this Agreement, any amount expressed in Singapore Dollars which is to be converted to the US Dollars equivalent, or vice versa, shall be converted at the conversion rate of USD1.00 = S\$1.27115, rounded to the nearest two decimal places.

2. Sale and Purchase

2.1 Sale of Property : The Vendor shall sell, and the Purchaser shall purchase, the Property upon the terms and subject to the conditions of this Agreement.

2.2 Fixtures and Fittings : The Parties acknowledge that the Purchase Price includes all fixtures, fittings, furniture and movable items located at, in or on the Property (excluding, for the avoidance of doubt, the fittings, furniture and movable items belonging to the Tenants and the Subtenant).

3. Purchase Price

3.1 Purchase Price : The purchase price (the “ **Purchase Price** ”) for the purchase of the Property shall be S\$16,700,000.

3.2 Payment of Purchase Price : The Purchase Price shall be paid by the Purchaser to the Vendor in the following manner:

3.2.1 the US Dollar equivalent of the Deposit converted at the Conversion Rate shall be paid to the Vendor upon the signing of this Agreement by way of telegraphic transfer into the Vendor’s designated bank account as notified in writing by the Vendor to the Purchaser (the “ **Vendor’s Designated Bank Account** ”). All bank charges in connection with such telegraphic transfer shall be borne by the Purchaser; and

3.2.2 the Purchase Price (less the Deposit) shall be paid by the Purchaser to the Vendor in the manner as provided in Clause 11.3.

3.3 GST : In addition to the Purchase Price, the Purchaser must pay GST in accordance with and subject to the provisions of Clause 7.

4. Conditions Precedent

4.1 PCD Clearances : The sale and purchase of the Property shall be subject to and conditional upon the following being obtained:

4.1.1 the Sale Clearance being obtained by the Vendor at the Vendor’s cost and expense; and

4.1.2 the Purchaser’s Use Clearance being obtained by the Purchaser at the Purchaser’s costs and expense.

4.2 Vendor’s Obligations

4.2.1 The Vendor shall within seven Business Days after the date of this Agreement apply at its cost and expense, to the PCD for the Sale Clearance and shall use its best endeavours to obtain the Sale Clearance.

- 4.2.2 The Purchaser shall render all reasonable assistance and at the request of the Vendor and the PCD, furnish such information and documents as may be required by the Vendor and the PCD in relation to the Vendor's application for the Sale Clearance.
- 4.2.3 The Vendor shall (i) give the Purchaser copy(ies) of all the Vendor's application(s) to the PCD and all other correspondence with the PCD arising from or in connection with the Sale Clearance and (ii) notify the Purchaser in writing upon obtaining the Sale Clearance (the "**Vendor's Fulfilment Notice**").
- 4.2.4 The Vendor shall comply with the terms and conditions imposed on it by the PCD as conditions for the grant of Sale Clearance.
- 4.2.5 The Vendor shall bear all fees, consent charges and administrative charges (including GST thereon) imposed by the PCD on the Vendor in relation to the Vendor's application for the Sale Clearance as well as any assignment fee, sale levy or other imposition imposed by the PCD for the grant of the Sale Clearance.

4.3 Purchaser's Obligations

- 4.3.1 The Purchaser shall within seven Business Days after the date of this Agreement apply at its cost and expense, to the PCD for the Purchaser's Use Clearance. The Vendor shall render all reasonable assistance and at the request of the Purchaser and the PCD, furnish such information and documents as may be required by the Purchaser and the PCD in relation to the Purchaser's application for the Purchaser's Use Clearance.
- 4.3.2 The Purchaser shall (i) give the Vendor copy(ies) of all the Purchaser's application(s) to the PCD and all other correspondence with the PCD arising from or in connection with the Purchaser's Use Clearance and (ii) notify the Vendor in writing upon obtaining the Purchaser's Use Clearance (the "**Purchaser's Fulfilment Notice**").
- 4.3.3 Each Party shall comply with the terms and conditions imposed on it by the PCD as conditions for the grant of the Purchaser's Use Clearance.
- 4.3.4 The Purchaser shall bear all fees, consent charges and administrative charges (including GST thereon) imposed by the PCD on the Purchaser in relation to the Purchaser's application for the Purchaser's Use Clearance.

4.4 Purchaser's Right to Waive : The Purchaser may at any time unconditionally waive the Purchaser's Use Clearance.

4.5 Termination by Either Party : In the event:

- 4.5.1 the Sale Clearance has not been obtained by the Long Stop Date; or
- 4.5.2 the Purchaser's Use Clearance has not been obtained by the Long Stop Date and the Purchaser has not confirmed in writing to the Vendor on or before the Long Stop Date that the Purchaser waives the Purchaser's Use Clearance which has not been obtained,

either Party may, at any time after the Long Stop Date, by notice in writing to the other Party terminate this Agreement and upon such notice being delivered to the other Party, this Agreement shall cease and determine. The Vendor shall forthwith refund the Deposit (without any interest thereon) to the Purchaser, and in exchange therefor, the Purchaser shall return to the Vendor all documents of title received by it from the Vendor and at the Purchaser's cost withdraw any caveats and cancel any entries relating to the Property in the Singapore Land Authority. Each Party shall bear its own solicitor's costs in the matter and neither Party shall have any claim or demand against the other for damages costs compensation or otherwise arising out of or in connection with this Agreement, save and except for any antecedent breach.

5. Legal Requisition

5.1 Legal Requisition Termination Notice : Without prejudice to the other provisions of this Agreement but in addition thereto, the Purchaser shall be entitled to terminate this Agreement by giving written notice thereof to the Vendor (the "**Legal Requisition Termination Notice**") if there is a reply to any Legal Requisition which materially adversely affects the Property or any part(s) thereof.

5.2 Unsatisfactory Replies : For the purposes of Clause 5.1, a reply to any Legal Requisition which "**materially adversely affects the Property or any part(s) thereof**" shall include:

- 5.2.1 any reply which discloses the existence of (i) any road lines, reserves or proposals and/or any drainage lines, reserves or proposals affecting the Property or any part(s) thereof, and/or (ii) any of the matters stated in the prescribed requisition form of the Land Transport Authority (Rapid Transit Systems) and/or (iii) any government gazette notification or proposed scheme which (a) affects to any extent or measure the building within which the Property is comprised (the "**Building**") or (b) the common property of the development within which the Building is comprised (the "**Common Property**"). For the avoidance of doubt, a reply shall be deemed to be a satisfactory reply if the reply discloses that part of the Land Lot falls within the "Railway Safety Zone" as shown shaded in blue on the Railway Protection Plan attached to this Agreement as **Appendix A** ;
- 5.2.2 any reply which discloses that a notice under Sections 19, 24 or 25 of the Building Control Act, Chapter 29 of Singapore or an order or direction under Sections 6 or 7 of the Building Maintenance and Strata Management Act, Chapter 30C of Singapore has been served and has not been complied and which is incapable of being rectified, discharged or complied with by the Vendor by Completion; and

5.2.3 any reply which discloses that the Property or any part(s) thereof is affected by any notice or order which has not been complied with and which is incapable of being rectified, discharged or complied with by the Vendor by Completion.

5.3 Consequences of Termination : Upon the delivery of Legal Requisition Termination Notice on the Vendor by the Purchaser, the Vendor shall forthwith refund the Deposit (without any interest thereon) to the Purchaser, and in exchange therefor, the Purchaser shall return to the Vendor all documents of title received by it from the Vendor and at the Purchaser's cost withdraw any caveats and cancel any entries relating to the Property in the Singapore Land Authority. Each Party shall bear its own solicitor's costs in the matter and neither Party shall have any claim or demand against the other for damages costs compensation or otherwise arising out of or in connection with this Agreement, save and except for any antecedent breach.

6. Title

6.1 Title Documents : Title to the Property shall be in order and properly deduced.

6.2 Free from Encumbrances : The title to the Property shall be free from Encumbrances on Completion, subject to the restrictions contained in Restriction No. I/001492P.

7. GST

7.1 Liability for GST : The Purchase Price shall exclude any applicable GST. All GST payable in respect of the Purchase Price and all other moneys payable by the Purchaser under this Agreement which are chargeable with GST pursuant to law, shall be borne by the Purchaser.

7.2 Tax Invoice : The Vendor must, in exchange for payment by the Purchaser of the GST, issue and deliver to the Purchaser at Completion a GST tax invoice for the full amount of the GST to be paid by the Purchaser.

8. Vendor's Conduct Pending Completion

8.1 With effect from the date of this Agreement and until Completion or termination of the sale and purchase herein (whichever is earlier), the Vendor shall:

8.1.1 not create any new Encumbrance over the Property;

8.1.2 not sell or transfer or agree to sell or transfer the Property or grant any option to sell or transfer the Property inconsistent with this Agreement;

8.1.3 not do anything which prejudices or is likely to prejudice the Purchaser's rights under this Agreement;

- 8.1.4 it shall maintain the Property in a good state of repair, allowing for fair wear and tear;
- 8.1.5 comply with relevant applicable laws, regulations and directives of any relevant Authority relating to the Property where non-compliance or non-observance would impose any Encumbrance or liability on the Property;
- 8.1.6 maintain the existing insurance on the Property against damage and destruction by fire to their replacement value and not do anything or permit anything to be done which would render such existing insurance to be, or become invalid, void or voidable;
- 8.1.7 promptly disclose to the Purchaser any actual or pending action, dispute, claims or demands brought by or against the Vendor which would impose any Encumbrance or liability on the Property;
- 8.1.8 not do or permit or suffer to exist, any act or omission which would result in it being unable to perform its obligations under this Agreement;
- 8.1.9 not enter into, agree to or solicit any new tenancy agreements in respect of the Property or any part thereof, without the prior written approval of the Purchaser and the prior written approval of the PCD for the lease of such part of the Property and the tenant's specific intended use of the premises to be leased to it (or, as the case may be, written notification from the PCD that such approvals are not required), and where such approvals are given, the Vendor shall provide the Purchaser with a copy of each signed new tenancy agreement within 14 days after such new tenancy agreement has been entered into by the parties thereto;
- 8.1.10 not consent to any transfer, assignment, sub-tenancies or licences proposed by the Tenants;
- 8.1.11 not vary or modify the terms of the Tenancy Agreement (including, without limitation, the fees and moneys payable thereunder);
- 8.1.12 not release or terminate any of the obligations of the Tenants under the Tenancy Agreement; and
- 8.1.13 not engage in any other course of action which prejudices or is likely to prejudice the Purchaser's rights under the Tenancy Agreement.

9. Tenancy Agreements

- 9.1 Tenancy Agreement :** The Property is sold subject to, and with the benefit of, the Tenancy Agreements. In the event that, prior to Completion, the Tenancy Agreements has been terminated by the Vendor with the prior written consent of the Purchaser, the Property or the relevant part(s) thereof shall be sold without the benefit of the Tenancy Agreements and the Vendor shall deliver vacant possession of the Property or such part(s) thereof which was or were the subject of the Tenancy Agreements which had been terminated.

9.2 Assignment of Tenancy Agreements : On Completion, the Vendor shall deliver to the Purchaser, and the Purchaser shall accept an assignment (the “ **Assignment of Tenancy Agreements** ”) of all rights, benefits (including Tenancy Revenues) and covenants under the Tenancy Agreements (subsisting as at Completion) with effect from Completion, whether or not such rights, benefits and covenants touch and concern or run with the Property and in addition and without prejudice to the provisions of Sections 10 and 11 of the Conveyancing and Law of Property Act, Chapter 61 of Singapore. The Assignment of Tenancy Agreements shall be (i) substantially in the form and containing the provisions set out in **Schedule 1** to this Agreement with such modifications thereof as may be agreed between the Parties, and (ii) prepared by and at the cost and expense of the Purchaser.

9.3 Parties’ Obligations in respect of the Tenancy Agreements

9.3.1 Prior to Completion, the Vendor must at its cost and expense observe and perform the Vendor’s obligations under the Tenancy Agreements and shall keep the Purchaser fully indemnified from and against all claims, demands, actions, proceedings, damages, losses, costs, expenses and liabilities caused by any default or failure on the Vendor’s part to discharge and fulfil as aforesaid the Vendor’s obligations under the Tenancy Agreements.

9.3.2 The Purchaser shall with effect from Completion, observe, perform, take over, discharge and fulfil all obligations of the Vendor under the Tenancy Agreements in respect of the period from and including Completion and shall, subject to the proviso hereto, keep the Vendor fully indemnified from and against all claims, demands, actions, proceedings, damages, losses, costs, expenses and liabilities caused by any default or failure on the Purchaser’s part to discharge and fulfil as aforesaid the Vendor’s obligations under the Tenancy Agreements Provided nothing herein shall be construed as rendering the Purchaser liable for any breach by the Vendor prior to Completion of the Vendor’s obligations under the Tenancy Agreements.

1.4 Security Deposit

9.4.1 On Completion, the Vendor shall transfer to the Purchaser (less any proper deductions made by the Vendor for any moneys whatsoever due and owing to the Vendor by the Tenants pursuant to the provisions of the relevant Tenancy Agreement) the following security deposits:

- (i) the sum of S\$9,281.22 being the equivalent of two months’ rent under the Existing Tenancy Agreement; and
 - (ii) all security and other deposits furnished by any New Tenant under the relevant New Tenancy Agreement,
- (collectively, the “ **Security Deposits** ” and each a “ **Security Deposit** ”).

9.4.2 Subject to any lawful claim which the Purchaser may have under the terms of the relevant Tenancy Agreement in respect of the Security Deposit, the Purchaser shall refund to each Tenant the Security Deposit in accordance with the terms of the relevant Tenancy Agreement relating to the provision of the foregoing deposits by the relevant Tenant.

9.4.3 The Purchaser's obligations under Clauses 9.4.2 are limited to refunding to each Tenant the amount actually received by the Purchaser from the Vendor on account of the Security Deposit paid by the Tenant under the relevant Tenancy Agreement. The Vendor shall indemnify the Purchaser and keep the Purchaser indemnified from all claims, losses or damages incurred or sustained by the Purchaser as a result of a claim by the Tenant for the refund of the Security Deposit paid by such Tenant under the relevant Tenancy Agreement which is in excess of the amount transferred by the Vendor to the Purchaser.

9.5 Existing Tenancy Agreement

The Parties hereby acknowledge that:

- (i) the Vendor has served a notice dated 25 November 2013 on EnviroSolutions & Consulting Pte Ltd informing it of the landlord's intention to issue a notice of termination of the Existing Tenancy Agreement on or about 1 March 2014 pursuant to Schedule 3 of the Third Schedule of the Existing Tenancy Agreement. A copy of the Vendor's said notice is attached to this Agreement as **Appendix B** ; and
- (ii) after Completion, the Purchaser shall (unless otherwise agreed between the Purchaser (as the new landlord) and EnviroSolutions & Consulting Pte Ltd) serve the requisite notice of termination of the Existing Tenancy Agreement on EnviroSolutions & Consulting Pte Ltd pursuant to Schedule 3 of the Third Schedule of the Existing Tenancy Agreement on EnviroSolutions & Consulting Pte Ltd.

10. Purchaser's Existing Tenancy Agreement

10.1 Purchaser's Existing Tenancy Agreement : The Purchaser is in possession of part of the Property under the terms of the Tenancy Agreement dated 20 January 2014 (the "**Purchaser's Existing Tenancy Agreement** ") made between the Vendor (as landlord) and the Purchaser (as tenant).

10.2 Purchaser's Obligations

- 10.2.1 The Purchaser will remain liable on the tenant's covenants contained in the Purchaser's Existing Tenancy Agreement until Completion.
- 10.2.2 If for any reason the sale and purchase is not completed on the Completion Date, the Purchaser shall continue to pay the rent, other fees and moneys payable pursuant to the Purchaser's Existing Tenancy Agreement on the dates specified therein.

10.3 Merger : On Completion, the deposit equivalent to one month's rent (or the balance thereof after any deductions made by the Vendor pursuant to the provisions of the Purchaser's Existing Tenancy Agreement) will be refunded to the Purchaser and the tenancy under the Purchaser's Existing Tenancy Agreement shall be deemed to have merged in the transfer of the Property to the Purchaser.

10.4 Existing Subtenancy Agreement

10.4.1 The Purchaser (as landlord) has entered into the tenancy agreement dated 12 April 2012 with the Subtenant (as tenant) in respect of part of the Property (the "**Subtenancy Agreement**").

10.4.2 The Purchaser (as landlord) has served a notice dated 19 November 2013 on the Subtenant to pre-terminate the Subtenancy Agreement with effect from 30 April 2014. A copy of the Purchaser's said notice is attached to this Agreement as **Appendix C**.

10.4.3 On Completion, the Purchaser (qua owner) shall continue with the Subtenancy Agreement on the terms of the Subtenancy Agreement up and including the date of termination of the Subtenancy Agreement.

11. Completion

11.1 Completion Date

11.1.1 Completion shall take place on:

- (i) 10 February 2014; or
- (ii) the date falling five Business Days after the Conditions Fulfillment Date,

whichever is later (or such other date as may be mutually agreed by the Parties in writing) (the "**Completion Date**"). It is the intention of the Parties that Completion of the sale and purchase of the Property and the completion of the sale and purchase of the Other Property under the Other Sale and Purchase Agreement shall take place concurrently. In the premises, in the event of any delay in the completion of the sale and purchase of the Other Property for any reason whatsoever, it is hereby agreed that the Completion Date shall be deferred by the same number of days of such delay to enable Completion of the sale and purchase of the Property and the completion of the sale and purchase of the Other Property under the Other Sale and Purchase Agreement to take place concurrently.

11.1.2 Subject to the provisions of this Agreement, Completion shall take place on the Completion Date at the office of the Vendor or such other venue as the Vendor may reasonably direct.

11.2 Vendor's Obligations on Completion : On Completion, the Vendor shall deliver:

- 11.2.1 an instrument of transfer of the Property, duly executed by the Vendor in favour of the Purchaser (the “ **Transfer Instrument** ”);
 - 11.2.2 Subsidiary Strata Certificate of Title Volume 656 Folio 39 relating to the Property;
 - 11.2.3 a copy of the draft notice of transfer to the Inland Revenue Authority of Singapore;
 - 11.2.4 a copy of the notice of change of ownership to the Management Corporation;
 - 11.2.5 a GST tax invoice in relation to the entire Purchase Price, issued by the Vendor to the Purchaser;
 - 11.2.6 copies of receipts or documents evidencing payment of the Outgoings which are to be apportioned between the Vendor and the Purchaser on Completion;
 - 11.2.7 duplicate executed and stamped copies of the Tenancy Agreements;
 - 11.2.8 the duly executed Assignment of Tenancy Agreements together with copies of the notices signed by the Vendor addressed to the Tenant, notifying each Tenant of the assignment to the Purchaser of the benefit of the Tenancy Agreements and directing it to pay all future payments under the relevant Tenancy Agreements to the Purchaser or as it may direct;
 - 11.2.9 certified true copy(ies) of the relevant corporate resolutions of the Vendor approving the sale of the Property and authorising the execution of:
 - (i) the instrument of transfer of the Property; and
 - (ii) all other documents required for purposes of Completion; and
- a letter of confirmation by the Vendor addressed to the Purchaser confirming that either:
- (i) the Vendor is resident in Singapore for tax purposes; or
 - (ii) the Vendor is not resident in Singapore for tax purposes, and the Vendor has not been assessed as a property trader by the Inland Revenue Authority of Singapore.

11.2.10

11.3 Purchaser's Obligations on Completion : Against compliance by the Vendor of its obligations in Clause 11.2, the Purchaser shall on Completion:

11.3.1 pay to the Vendor, or as it may direct, the US Dollar equivalent of the Purchase Price (less the Deposit) converted at the Conversion Rate and the applicable GST payable on the Purchase Price, by way of telegraphic transfer into the Vendor's Designated Bank Account. All bank charges in connection with such telegraphic transfer levied by the Purchaser's bank shall be borne by the Purchaser; and

11.3.2 deliver to the Vendor a copy of the Assignment of Tenancy Agreements duly executed by the Purchaser.

11.4 Completion Procedure

11.4.1 The Parties hereby agree that on the Completion Date:

- (i) the Vendor and/or the Vendor's Solicitors shall deliver to the Purchaser's Solicitors, the documents and items set out in Clause 11.2, in exchange for:

the Assignment of Tenancy Agreements duly executed by the Purchaser; and

(a)

- (b) the Purchaser's Solicitors' written undertaking that it shall not (1) release Subsidiary Strata Certificate of Title Volume 656 Folio 39 and the duly executed Transfer Instrument to the Purchaser and (2) register the Transfer Instrument at the Singapore Land Authority until the Vendor or the Vendor's Solicitors has received a copy of the Purchaser's remittance instructions to the Purchaser's bank for the remittance by telegraphic transfer of the US Dollar equivalent of the Purchase Price (less the Deposit) converted at the Conversion Rate into the Vendor's Designated Bank Account; and

- (ii) the Purchaser shall give instructions to its bank to remit by telegraphic transfer the US Dollar equivalent of the Purchase Price (less the Deposit) converted at the Conversion Rate into the Vendor's Designated Bank Account.

11.4.2 The Vendor hereby irrevocably confirms that the Purchaser's Solicitors shall be authorized to (1) release the Subsidiary Strata Certificate of Title Volume 656 Folio 39 and the duly executed Transfer Instrument to the Purchaser and (2) register the Instrument of Transfer at the Singapore Land Authority (i) upon the Purchaser or the Purchaser's solicitors receipt of the SWIFT MT103 showing the credit transfer of the US Dollar equivalent of the Purchase Price (less the Deposit), converted at the Conversion Rate, into the Vendor's Designated Account or (ii) within three Business Days after the date of Completion unless the Vendor has provided evidence reasonably satisfactory to the Purchaser within the said three Business Day period that the US Dollar equivalent of the Purchase Price (less the Deposit), has not been credited into the Vendor's Designated Account.

12. Compulsory Acquisition

The Property is sold subject to there being no acquisition or notice of intended acquisition of the Property or any part thereof or the Common Property or any part thereof by the government or other relevant Authority and if on or before Completion, the government or other relevant Authority shall acquire or give notice of acquisition or intended acquisition of the Property or any part thereof or the Common Property or any part thereof, the Purchaser may in its discretion rescind this Agreement by giving written notice thereof to the Vendor. In the event such written notice is served, this Agreement shall forthwith become null and void and of no further effect whatsoever. The Vendor shall forthwith refund the Deposit (without any interest thereon) to the Purchaser, and in exchange therefor, the Purchaser shall return to the Vendor all the documents of title received by it from the Vendor and at the Purchaser's cost withdraw any caveats and cancel any entries relating to the Property in the Singapore Land Authority. Each Party shall bear its own solicitors' costs in the matter and neither Party shall have any claim or demand against the other for damages costs or otherwise arising out of or in connection with this Agreement, save and except for any antecedent breach.

13. Representations and Warranties

13.1 Each Party hereby represents and warrants and undertakes to the other that as at the date of this Agreement and as at Completion:

13.1.1 it has full power and authority to enter into and perform this Agreement and this Agreement constitutes valid and binding obligations on its part; and

13.1.2 the execution and delivery of and the performance by it of its obligations under this Agreement will not:

- (i) result in a breach of any provision of its Memorandum or Articles of Association or other constitutive documents, if any; or
- (ii) result in a breach of any order, judgment or decree of any court, governmental agency or regulatory body to which it is a party or by which it is bound.

14. General Conditions of Sale

14.1 The sale is subject to "The Law Society of Singapore's Conditions of Sale 2012" in so far as they are applicable to a sale by private treaty and are not contrary to or in conflict with the following:

14.1.1 the Conveyancing & Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing & Law of Property Act, Chapter 61 of Singapore; and

- 14.1.2 the Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law Act, Chapter 294A of Singapore (if applicable).
- 14.2 Where the terms and conditions contained in this Agreement are in conflict with “The Law Society of Singapore’s Conditions of Sale 2012”, the former shall prevail.
- 14.3 In the application of “The Law Society of Singapore’s Conditions of Sale 2012” to this Agreement:
- 14.3.1 any reference to “Scheduled Completion Date” therein shall be construed to mean the date fixed for Completion as more particularly provided in Clause 11.1 of this Agreement; and
- 14.3.2 any reference to “Contract” therein shall be construed to mean the contract for sale as set out in this Agreement.
- 15. Release and Indulgence**
- 15.1 Discretion to Release :** Any liability to a Party under this Agreement may in whole or in part be released, compounded or compromised, or time or indulgence given, by such Party in its absolute discretion as regards the other Party without in any way prejudicing or affecting its other rights and remedies against the other Party.
- 15.2 No Waiver :** No failure on the part of either Party to exercise, and no delay on its part in exercising, any right or remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies (whether provided by law or otherwise).
- 16. Continuing Effect of Agreement**
- All provisions of this Agreement shall so far as they are capable of being performed or observed, continue in full force and effect notwithstanding Completion and shall not merge in the transfer of the Property, except in respect of those matters then already performed.
- 17. Other Provisions**
- 17.1 Further Assurance**
- At any time after the date of this Agreement, the Vendor shall, and shall procure that any necessary third party shall, execute such documents and do such acts and things as the Purchaser may require for the purpose of giving to the Purchaser the full benefit of all the provisions of this Agreement.

17.2 Costs

17.2.1 **Legal Costs:** Each Party shall bear its own legal, professional and other costs and expenses incurred by it in connection with the negotiation, preparation or completion of this Agreement.

17.2.2 **Stamp Duty:** All stamp duty (if any) payable on this Agreement and on any other document executed pursuant to this Agreement shall be borne by the Purchaser.

17.3 Partial Invalidity

If any term or provision in this Agreement shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected.

17.4 Notices

All notices, demands or other communications required or permitted to be given or made under this Agreement shall be in writing and delivered personally or sent by prepaid registered post or by facsimile addressed to the intended recipient thereof at its address or facsimile number, and marked for the attention of such person (if any), designated by each Party to the other Party for the purposes of this Agreement. The initial address, facsimile number and person (if any) so designated by the Parties are set out below:

Vendor : **Montrose Property Pte Ltd**
c/o Engelin Teh Practice LLC
20 Cecil Street #13-02
Equity Plaza
Singapore 049705
Attention: Mr Michael Seow
Facsimile Number: + 62261234

Purchaser : **Media Data Systems Pte Ltd**
c/o 22/F, Tower A, Vita Tower
29 Wong Chuk Hang Road
Aberdeen, Hong Kong
Attention: Legal Department
Facsimile Number: +852 2552 5925

Any such notice, demand or communication shall be deemed to have been duly served (if given or made by facsimile) immediately and in proving the same it shall be sufficient to show the electronic confirmation of fax receipt or (if given or made by letter) immediately if hand delivered or two days after sending by local courier and in proving the same it shall be sufficient to show that the receipt from the local courier that the package was duly addressed and the date on which it was sent.

17.5 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of Singapore and the Parties hereto agree to submit to the non-exclusive jurisdiction of the Singapore courts.

17.6 Entire Agreement

This Agreement embodies all the terms and conditions agreed upon between the Parties as to the subject matter of this Agreement (and supersedes and cancels in all respects all previous representations warranties agreements and undertakings (if any) whether such be written or oral made between the Parties with respect to the subject matter hereof) save and except those mutually agreed in writing between the Parties after the due execution of this Agreement.

17.7 Contracts (Rights of Third Parties) Act

A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce or enjoy the benefit of any term of this Agreement.

17.8 Variation

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.

17.9 Counterparts

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Agreement by signing any such counterpart.

Schedule 1
Form of Assignment of Tenancy Agreements

Appendix A
Railway Protection Plan

Appendix B
Copy of the Vendor's Notice to EnviroSolutions & Consulting Pte Ltd

Appendix C
Copy of the Purchaser's Notice to Transcontainer Limited Singapore Branch

In witness whereof this Agreement has been entered into on the date stated at the beginning.

Vendor

SIGNED by)
for and on behalf of)
MONTROSE PROPERTY PTE LTD)
in the presence of:)

Witness' signature
Name:

Purchaser

SIGNED by)
for and on behalf of)
MEDIA DATA SYSTEMS PTE LTD)
in the presence of:)

Witness' signature
Name:

SUBSIDIARIES OF GLOBAL SOURCES LTD.
(as of February 28, 2014)

<u>Name</u>	<u>Jurisdiction of Organization</u>
1. 2B HK Limited	Hong Kong
2. A.S. Mediaconsult Limited	Republic of Cyprus
3. ASM Business Services Limited	Cayman Islands
4. Beijing EDN Advertising Production Co., Ltd	People's Republic of China
5. China Magic Sourcing Limited	Hong Kong
6. China Media Advertising, Inc.	Liberia
7. China Sourcing Fairs (SA) Pte Ltd.	Singapore
8. China Sourcing Fairs HK Co. Limited	Hong Kong
9. China Sourcing Fairs FZ-LLC	Dubai, United Arab Emirates
10. China Sourcing Fairs Limited	British Virgin Islands
11. Earldom Limited	British Virgin Islands
12. E-Commerce International Ltd.	Bermuda
13. EDN Asia Advertising Pte. Ltd.	Singapore
14. eMedia Asia Ltd.	Barbados
15. eMedia South China Limited	Hong Kong
16. Equitable Accounting Services Limited	Hong Kong
17. Event Marketing Services Limited	Hong Kong
18. Export Media Ltd.	British Virgin Islands
19. Fertile Valley Pte. Ltd	Singapore
20. Floro Company Limited	Hong Kong
21. Fortune Valley Ltd	Mauritius
22. Global Alliance Investment Holdings Limited	British Virgin Islands
23. Global City Properties Limited	British Virgin Islands
24. Global Exhibitions (Singapore) Pte. Ltd.	Singapore
25. Global Silver Ocean (Shanghai) Limited	British Virgin Islands

26. Global Sources Advertising (Shenzhen) Co., Ltd.	People's Republic of China
27. Global Sources Auctions Ltd.	Cayman Islands
28. Global Sources Direct (HK) Limited	Hong Kong
29. Global Sources Direct (Shenzhen) Co., Ltd.	People's Republic of China
30. Global Sources Direct Limited	British Virgin Islands
31. Global Sources Exhibition Co., Ltd.	Taiwan
32. Global Sources Exhibitions & Events (India) Private Limited	India
33. Global Sources Exhibition (Shanghai) Co., Ltd.	People's Republic of China
34. Global Sources Investment Holdings Limited	British Virgin Islands
35. Global Sources Limited	Hong Kong
36. Global Sources Properties (Shenzhen) Co., Ltd.	People's Republic of China
37. Global Sources Properties Consultant (Shanghai) Co., Ltd.	People's Republic of China
38. Global Sources Properties Limited	Hong Kong
39. Global Sources Research Foundation Limited	British Virgin Islands
40. Global Sources Technologies Ltd.	Bermuda
41. Global Sources USA, Inc.	USA – Delaware
42. Haoji Group Ltd	British Virgin Islands
43. Hillcrest Services Limited	British Virgin Islands
44. Huanxi Information Consulting (Shenzhen) Co., Ltd.	People's Republic of China
45. Huanyu Shishang Exhibition (Shenzhen) Co., Ltd.	People's Republic of China
46. Japan Publishing Limited	Japan
47. Lazenby Services Limited	British Virgin Islands
48. Magic Exhibitions Hong Kong Limited	Hong Kong
49. Magic Sourcing Hong Kong Limited	Hong Kong
50. Media Advertising Ltd.	Cayman Islands
51. Media Data Systems Pte. Ltd	Singapore
52. Pine Grove B.V.	Netherlands
53. Publishers Representatives Limited	Hong Kong
54. Shanghai Yuanbo Exhibition & Advertising Co., Ltd.	People's Republic of China

55. Shanghai Yuanmao Properties Co., Ltd.	People's Republic of China
56. Shenzhen Herong GS Exhibition Co., Ltd.	People's Republic of China
57. Shenzhen Huanyue Convention & Exhibition Co., Ltd.	People's Republic of China
58. Shenzhen Xieguang Convention & Exhibition Co., Ltd.	People's Republic of China
59. Smart Advisory Limited	Hong Kong
60. Space Exhibition Consultants Limited	Hong Kong
61. Steady Access Resources Limited	British Virgin Islands
62. Targeted Marketing Promotions Corp.	Liberia
63. Topranch Limited	British Virgin Islands
64. Trade Magazine Productions Limited	Hong Kong
65. Trade Management Software Limited	Cayman Islands
66. Trade Media Holdings Limited	Cayman Islands
67. Trade Media Limited	Cayman Islands
68. Trade Media Marketing Service Limited	Hong Kong
69. Trade Point Hong Kong Limited	Hong Kong
70. World Executive's Digest Limited	Cayman Islands

I, Merle A. Hinrich, certify that:

1. I have reviewed this annual report on Form 20-F of Global Sources Ltd.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such an evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 28, 2014

/s/ Merle A. Hinrich
Merle A. Hinrich,
Director and Executive Chairman

I, Connie Lai, certify that:

1. I have reviewed this annual report on Form 20-F of Global Sources Ltd.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such an evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 28, 2014

/s/ Connie Lai
Connie Lai,
Chief Financial Officer

Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chapter 63, Title 18 U.S.C. §§ 1350(a) and (b)), the undersigned hereby certifies in his capacity as an officer of Global Sources Ltd. (the “Company”) that the Annual Report of the Company on Form 20-F for the year ended December 31, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the end of and for the periods covered by such Report.

Dated: April 28, 2014

/s/ Merle A. Hinrich

Merle A. Hinrich,

Director and Executive Chairman

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chapter 63, Title 18 U.S.C. §§ 1350(a) and (b)), is not a part of the Form 20-F to which it refers and is, to the extent permitted by law, provided by the above signatory to the extent of his knowledge.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO GLOBAL SOURCES LTD. AND WILL BE RETAINED BY GLOBAL SOURCES. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

Certification

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chapter 63, Title 18 U.S.C. §§ 1350(a) and (b)), the undersigned hereby certifies in her capacity as an officer of Global Sources Ltd. (the “Company”) that the Annual Report of the Company on Form 20-F for the year ended December 31, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the end of and for the periods covered by such Report.

Dated: April 28, 2014

/s/ Connie Lai
Connie Lai,
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chapter 63, Title 18 U.S.C. §§ 1350(a) and (b)), is not a part of the Form 20-F to which it refers and is, to the extent permitted by law, provided by the above signatory to the extent of her knowledge.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO GLOBAL SOURCES LTD. AND WILL BE RETAINED BY GLOBAL SOURCES. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-104426, 333-59058 and 333-138474) and Form F-3 (No. 333-177577) of Global Sources Ltd. of our report dated April 2, 2014 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers LLP
Singapore
April 28, 2014

Global Sources Ltd
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Aberdeen
Hong Kong

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24 February 2014

Our Ref: GV/2014/VPS/0042(L2)/FL/JT/TF/cl
HK/2014/VPS/11073

Dear Sirs

- RE: 1) UNITS 21-28 ON 26TH FLOOR OF PACIFIC LINK TOWER, UNITS 12-20 ON 26TH FLOOR OF TOWER B AND CAR PARKING SPACES NOS. P109, P110 AND P126 ON 1ST FLOOR, SOUTHPARK, 11 YIP HING STREET, WONG CHUK HANG, HONG KONG
- 2) 21ST, 22ND AND 23RD FLOORS, VITA TOWER, 29 WONG CHUK HANG ROAD, WONG CHUK HANG, HONG KONG
- 3) THE WHOLE OF 33RD, 34TH, 35TH AND 36TH FLOORS OF INTERNATIONAL CHAMBER OF COMMERCE TOWER, INTERSECTION OF FUHUA THIRD ROAD AND YITIAN ROAD, FUTIAN DISTRICT, SHENZHEN, THE PEOPLE'S REPUBLIC OF CHINA
- 4) THE WHOLE OF 48TH, 49TH AND 50TH FLOORS OF INTERNATIONAL CHAMBER OF COMMERCE TOWER, INTERSECTION OF FUHUA THIRD ROAD AND YITIAN ROAD, FUTIAN DISTRICT, SHENZHEN, THE PEOPLE'S REPUBLIC OF CHINA
- 5) THE WHOLE OF 25TH TO 28TH FLOORS (ACTUAL FLOOR: 21ST TO 24TH FLOORS) AND CAR PARKING SPACES NOS. B2-9, B2-10, B2-11, B2-12 AND B2-15, CITY POINT, NO. 666 WEST HUIHAI ROAD, SHANGHAI, THE PEOPLE'S REPUBLIC OF CHINA

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-104426, 333-59058 and 333-138474), Form F-3/A (no. 333-114411) and Form F-3 (No. 333-154960 and 333-177577) of Global Sources Ltd. of our valuation of properties as at 31 December 2013 and our name which appears in the Global Sources Ltd's Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended 31 December 2013.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited

Freddie Ling
MRICS MHKIS RPS(GP)
Senior Director