



FOR IMMEDIATE RELEASE

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Global Sources reports second half and year-end 2016 financial results

- Posted second half of 2016 revenue of \$75.8 million –
- Reported second half of 2016 IFRS EPS of \$0.38 and Non-IFRS EPS of \$0.51 –
- Reported full year 2016 revenue of \$157.7 million –
- Posted full year 2016 IFRS EPS of \$0.73 and Non-IFRS EPS of \$0.96 –
- Provides guidance for first half of 2017, expects revenue to be between \$76.0 million and \$78.0 million and IFRS EPS to range from \$0.12 to \$0.16 –

NEW YORK, March 16, 2017 – [Global Sources Ltd.](http://GlobalSourcesLtd.com) (NASDAQ: GSOL) reported financial results for the six-month period July 1, 2016 through Dec. 31, 2016 and year-end 2016.

Merle A. Hinrich, Global Sources' executive chairman stated: "In the second half of 2016, we had a successful fall series of trade shows in Hong Kong with growth in both booth sales and attendance. With *Global Sources Electronics*, the world's largest electronics sourcing trade show showcasing consumer and mobile electronics, we are in a strong position to capture the continued growth of mainland China's electronics export industry. Our *Startup Launchpad* initiative is Asia's largest gathering of consumer electronics startups. Consisting of a conference track and pavilion within each phase of the show, it lets buyers see the latest innovations and be first to market with shelf-ready products. Also, we added a *Smart Living* website, magazine and trade show pavilion covering smart security, energy management,

entertainment, appliances, and gadgets for the fast-growing smart home market. We continue to focus on enhancing value for customers through further integration of our online and trade show services in our core business of connecting buyers worldwide with suppliers in mainland China and Asia.”

Financial highlights – Second half: 2016 compared to 2015

- Revenue from continuing operations was \$75.8 million, as compared to \$85.1 million.
 - Exhibitions revenue was \$45.0 million, as compared to \$45.7 million.
 - Online and other media services revenue was \$27.6 million, as compared to \$34.5 million.
- IFRS net profit from continuing operations was \$9.5 million, or \$0.38 per diluted share, as compared to \$15.2 million, or \$0.58 per diluted share from continuing operations.
- Non-IFRS net profit from continuing operations was \$12.8 million, or \$0.51 per diluted share, as compared to \$8.7 million, or \$0.33 per diluted share from continuing operations.
- Adjusted EBITDA from continuing operations was \$15.6 million, as compared to \$13.1 million from continuing operations for the second half of 2015.
- Total deferred income and customer prepayments were \$81.5 million as at Dec. 31, 2016, as compared to \$78.2 million as at Dec. 31, 2015.
- Cash and cash equivalents at Dec. 31, 2016 was \$110.2 million and the company remains debt free.

Global Sources’ CFO, Connie Lai, said: “Our 2016 second half revenue reflects the success of our export trade shows in Hong Kong as well as the continued challenges in our online business. We fully impaired the carrying amount of \$2.2 million, net of associated taxes, in relation to the *China International Fashion Brand Fair – Shenzhen*. Also, our bottom line benefitted from our cost control efforts combined with the recognition of deferred tax assets.”

Financial highlights – Full year ended Dec. 31: 2016 compared to 2015

- Revenue from continuing operations was \$157.7 million, as compared to \$171.0 million.
- IFRS net profit from continuing operations was \$18.4 million, or \$0.73 per diluted share, as compared to \$24.0 million, or \$0.83 per diluted share from continuing operations.
- Non-IFRS net profit from continuing operations was \$24.2 million, or \$0.96 per diluted share, as compared to \$19.0 million, or \$0.66 per diluted share from continuing operations, for 2015.
- Adjusted EBITDA from continuing operations was \$32.0 million, as compared to \$30.8 million from continuing operations for 2015.

Financial expectations for the first half of 2017 under IFRS

- For the first half of 2017 ending June 30, 2017:
 - Revenue is expected to be in the range of \$76.0 million to \$78.0 million, as compared to \$81.8 million for the first half of 2016.
 - IFRS EPS is expected to be in the range of \$0.12 to \$0.16, as compared to \$0.35 per diluted share in the first half of 2016. SBC and the amortization of intangibles as it relates to certain equity compensation plans are estimated to be an expense of \$0.05 per diluted share for the first half of 2017.
 - Non-IFRS EPS is expected to be in the range of \$0.17 to \$0.21, as compared to \$0.45 per diluted share for the same period in 2016.
 - Adjusted EBITDA is expected to be between \$11.1 million and \$11.9 million, as compared to \$16.3 million in the first half of 2016.

Recent Corporate Highlights

- Announced plans to partner with Shenzhen Globex e-Services Inc., an integrated e-commerce service provider, to co-develop a fully integrated electronic solution to facilitate more efficient cross-border trade between mainland China-based exporters and overseas buyers.
- Announced retirement of board member James Watkins effective Jan. 1, 2017.
- Appointed Craig Pepples as Global Sources' CEO effective Jan. 1, 2017.
- Received the Gold corporate award for excellence in corporate governance and investor relations in *The Asset's* December 2016 issue.
- Held *Global Sources* series of fall trade shows in October 2016 at Hong Kong's AsiaWorld-Expo, including *Global Sources Electronics*, the world's largest electronics sourcing trade show.
 - In total, the fall trade shows had more than 8,500 booths.
 - Total attendance exceeded 79,000 and included buyers from 153 countries and territories.
- Appointed Fumbi Chima and Michael Scown as new members to Global Sources' Board of Directors effective Sept. 12, 2016.

Conference call for Global Sources second half and year-end 2016 earnings

Executive chairman Merle A. Hinrich and CFO Connie Lai are scheduled to conduct a conference call at 8:00 a.m. ET on March 16, 2017 (8:00 p.m. on March 16, 2017 in Hong Kong) to review these results in more detail. Investors in the United States may participate in the call by dialing (888) 256-1014, and non-Hong Kong international participants may dial (1-913) 312-1296. Investors in Hong Kong may participate by dialing (852) 3008-0382. The conference ID is 3765441 and participants are encouraged to

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

For those who cannot listen to the live broadcast, a webcast replay of the call is scheduled to be available on the company's corporate site for 30 days. A telephone replay of the call is also scheduled to be available through March 23, 2017. To listen to the telephone replay dial (888) 203-1112 or dial (1-719) 457-0820 outside the United States, and enter pass code 3765441. For those in the Hong Kong area, the replay dial-in number is (800) 901-108, and the pass code is 3765441.

About Global Sources

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

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

More than 1.7 million international buyers, including 95 of the world's top 100 retailers, use these services to obtain product and company information to help them source more profitably from overseas supply markets. These services also provide suppliers with integrated marketing solutions to build corporate image, generate sales leads and win orders from buyers in more than 240 countries and territories.

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

Global Sources' non-IFRS metrics

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

cash stock based compensation expense or credit, profits or losses on acquisitions and disposals of investments, net of transaction costs and impairment of goodwill and intangible assets.

Safe Harbor Statement

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

– Tables Follow –

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

	As at December 31, 2016 (Unaudited)	As at December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents.....	\$ 88,749	\$ 70,356
Term deposits with banks.....	9,919	9,097
Financial assets, available-for-sale.....	11,234	-
Accounts receivables, net.....	838	849
Receivables from sales representatives.....	4,962	8,802
Inventories.....	111	176
Prepaid expenses and other current assets.....	14,129	16,268
	129,942	105,548
Non-current assets		
Property and equipment.....	71,604	59,064
Investment properties.....	47,955	69,726
Intangible assets.....	16,907	26,309
Financial assets, available-for-sale.....	257	-
Long term investment.....	-	100
Deferred income tax assets.....	2,669	389
Other non-current assets.....	2,118	951
	141,510	156,539
Total assets.....	\$ 271,452	\$ 262,087
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable.....	\$ 5,681	\$ 7,383
Deferred income and customer prepayments.....	77,450	75,265
Accrued liabilities.....	14,917	15,183
Income tax liabilities.....	934	2,990
	98,982	100,821
Non-current liabilities		
Accounts payable.....	-	289
Deferred income and customer prepayments.....	4,040	2,917
Deferred income tax liabilities.....	2,453	4,493
	6,493	7,699
Total liabilities.....	\$ 105,475	\$ 108,520
Equity attributable to Company's shareholders		
Common shares.....	536	533
Treasury shares.....	(250,089)	(250,089)
Other reserves.....	153,181	157,562
Retained earnings.....	258,293	239,812
Total Company shareholders' equity.....	161,921	147,818
Non-controlling interests.....	4,056	5,749
Total equity.....	\$ 165,977	\$ 153,567
Total liabilities and equity.....	\$ 271,452	\$ 262,087

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

	Six months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	
Revenue:				
Exhibitions	\$ 44,968	\$ 45,683	\$ 92,381	\$ 91,854
Online and other media services (Note 1)	27,646	34,512	58,340	70,242
Miscellaneous	3,235	4,914	6,946	8,929
	<u>75,849</u>	<u>85,109</u>	<u>157,667</u>	<u>171,025</u>
Operating Expenses:				
Sales (Note 2)	21,858	25,538	44,767	50,231
Event production	12,018	12,309	25,084	24,533
Community and content (Note 2)	8,152	10,332	17,163	20,535
General and administrative (Note 2 & 3)	20,685	22,945	43,019	43,697
Information and technology (Note 2)	5,541	6,896	11,315	13,348
Total Operating Expenses	<u>68,254</u>	<u>78,020</u>	<u>141,348</u>	<u>152,344</u>
Profit on sale of property	-	9,791	-	9,791
Profit from Operations	<u>7,595</u>	<u>16,880</u>	<u>16,319</u>	<u>28,472</u>
Interest income	265	226	558	792
Gain on sale of available-for-sale securities	26	52	93	188
Profit on sale of long term investment	-	-	43	-
Interest expenses	(7)	(24)	(23)	(83)
Profit before Income Taxes	<u>7,879</u>	<u>17,134</u>	<u>16,990</u>	<u>29,369</u>
Income tax credit / (expense)	752	(2,421)	1,328	(4,609)
Net Profit from continuing operations	<u>\$ 8,631</u>	<u>\$ 14,713</u>	<u>\$ 18,318</u>	<u>\$ 24,760</u>
Net Profit from discontinued operations, net of income tax (Note 4)	<u>-</u>	<u>223</u>	<u>-</u>	<u>5,629</u>
Net profit	<u>\$ 8,631</u>	<u>\$ 14,936</u>	<u>\$ 18,318</u>	<u>\$ 30,389</u>
Net (profit)/loss attributable to non-controlling interests from:				
Continuing operations	913	457	51	(765)
Discontinued operations	-	-	-	264
Total	<u>913</u>	<u>457</u>	<u>51</u>	<u>(501)</u>
Net profit attributable to the Company's shareholders from:				
Continuing operations	\$ 9,544	\$ 15,170	\$ 18,369	\$ 23,995
Discontinued operations	-	223	-	5,893
Total	<u>\$ 9,544</u>	<u>\$ 15,393</u>	<u>\$ 18,369</u>	<u>\$ 29,888</u>
Diluted net profit per share attributable to the Company's shareholders from:				
Continuing operations	\$ 0.38	\$ 0.58	\$ 0.73	\$ 0.83
Discontinued operations	-	0.01	-	0.20
Total	<u>\$ 0.38</u>	<u>\$ 0.59</u>	<u>\$ 0.73</u>	<u>\$ 1.03</u>
Shares used in diluted net profit per share calculations	<u>25,397,702</u>	<u>26,249,657</u>	<u>25,305,261</u>	<u>28,820,976</u>

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

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

	Six months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	
Online services.....	\$ 25,064	\$ 31,220	\$ 52,750	\$ 64,421
Print services.....	2,582	3,292	5,590	5,821
	<u>\$ 27,646</u>	<u>\$ 34,512</u>	<u>\$ 58,340</u>	<u>\$ 70,242</u>

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

	Six months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	
Sales.....	\$ 206	\$ 240	\$ 279	\$ 418
Community and content.....	44	47	62	88
General and administrative	624	650	1,360	1,418
Information and technology	85	92	204	225
	<u>\$ 959</u>	<u>\$ 1,029</u>	<u>\$ 1,905</u>	<u>\$ 2,149</u>

Note: 3. General and administrative expenses consist of:

	Six months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	
General and administrative expenses before amortization of intangible assets, impairment charge on intangible assets and foreign exchange losses	\$ 15,331	\$ 18,984	\$ 33,310	\$ 37,289
Amortization of intangible assets.....	1,639	2,207	3,681	4,314
Impairment charge on intangible assets.....	2,889	-	4,791	-
Foreign exchange losses.....	826	1,754	1,237	2,094
	<u>\$ 20,685</u>	<u>\$ 22,945</u>	<u>\$ 43,019</u>	<u>\$ 43,697</u>

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

	Six months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	
Profit on sale of subsidiary.....	\$ -	\$ 223	\$ -	\$ 6,382
Income tax expense	-	-	-	(361)
Profit on sale of subsidiary, net of income tax	-	223	-	6,021
Loss from discontinued operations, net of income tax...	-	-	-	(392)
	<u>\$ -</u>	<u>\$ 223</u>	<u>\$ -</u>	<u>\$ 5,629</u>

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

	Six months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
IFRS diluted net profit per share from continuing operations	\$ 0.38	\$ 0.58	\$ 0.73	\$ 0.83
IFRS Net Profit from continuing operations	\$ 9,544	\$ 15,170	\$ 18,369	\$ 23,995
Non-cash stock based compensation expense (Note 1)	959	1,029	1,905	2,149
Amortization of intangibles (Note 2)	179	88	363	381
Profit on sale of long term investment	-	-	(43)	-
Impairment of goodwill and intangibles (Note 3)	2,167	-	3,593	-
Profit on sale of property, net of transaction costs & related tax expenses	-	(7,550)	-	(7,550)
Non-IFRS Net Profit continuing operations	\$ 12,849	\$ 8,737	\$ 24,187	\$ 18,975
Non-IFRS diluted net profit per share from continuing operations	\$ 0.51	\$ 0.33	\$ 0.96	\$ 0.66
Total shares used in non-IFRS diluted net profit per share calculations	25,397,702	26,249,657	25,305,261	28,820,976

Notes:

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

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

	Six months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
IFRS profit from continuing operations	\$ 7,595	\$ 16,880	\$ 16,319	\$ 28,472
Depreciation and amortization from continuing operations	4,179	4,961	8,946	9,999
EBITDA	11,774	21,841	25,265	38,471
Non-cash stock based compensation expense	959	1,029	1,905	2,149
Impairment of goodwill and intangibles	2,889	-	4,791	-
Profit on sale of property, net of transaction costs	-	(9,791)	-	(9,791)
Adjusted EBITDA from continuing operations	\$ 15,622	\$ 13,079	\$ 31,961	\$ 30,829

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

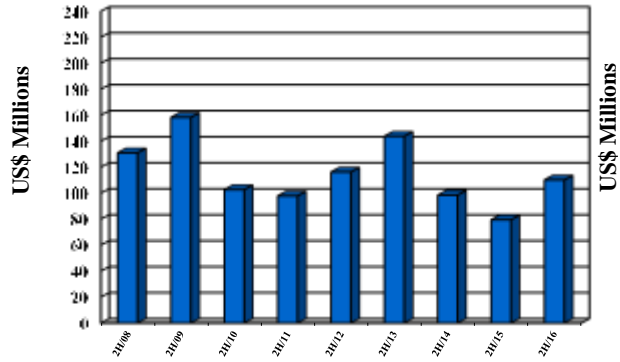
	GUIDANCE		ACTUAL	
	Six months ended June 30,		Six months ended June 30,	
	2017		2016	
Revenue	\$76.0	to	\$78.0	\$81.8
IFRS EPS	\$0.12	to	\$0.16	\$0.35
Non-cash stock based compensation expense (Note 1)	\$0.04		\$0.04	\$0.04
Amortization of intangibles (Note 2)	\$0.01		\$0.01	\$0.00
Impairment of goodwill and intangibles (Note 3)	\$0.00		\$0.00	\$0.06
Non-IFRS diluted net income per share	\$0.17	to	\$0.21	\$0.45
Total shares used in non-IFRS diluted net income per share calculations	25,600,000		25,600,000	25,358,358

Notes:

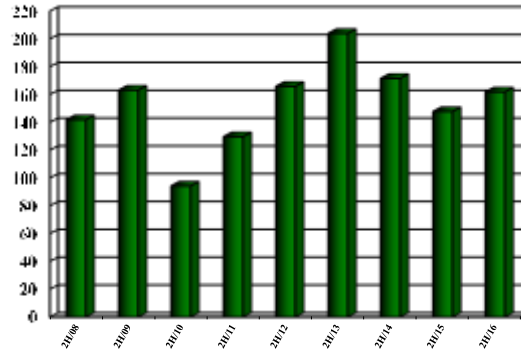
- (1) Actual SBC is calculated based on actual share price on date of the awards.
- (2) Amortization of intangible assets relating to certain non-compete agreements.
- (3) Impairment of intangibles are net of related taxes.

GLOBAL SOURCES LTD. AND SUBSIDIARIES

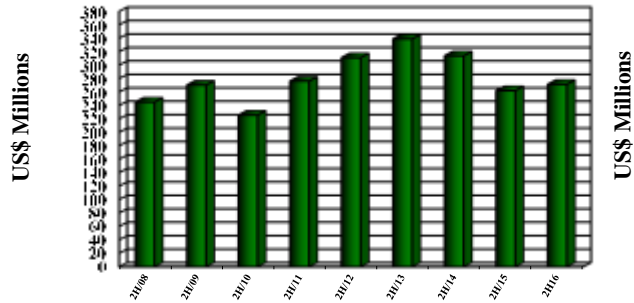
Total Cash and Securities



Total Shareholders' Equity



Total Assets



**Total Deferred Income
Customer Prepayments**

