



FOR IMMEDIATE RELEASE

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**Global Sources reports first quarter 2015 results**

**– Posted revenue of \$22.2 million for the first quarter of 2015 –**

**NEW YORK, May 21, 2015** – [Global Sources Ltd.](http://www.globalsources.com) (NASDAQ: GSOL) reported financial results for the first quarter ended March 31, 2015.

Global Sources' executive chairman, Merle A. Hinrich, said, "Our first quarter results reflect the shift in timing of our *SIMM* machinery shows for the mainland China domestic market from the first quarter of 2014 to the second quarter of 2015. In April, we held our export-focused shows, including *Global Sources Electronics*, the world's largest electronics sourcing trade show featuring a total of more than 5,500 booths. The first phase included a wide range of electronics for home, office, auto and security products as well as electronic components. The second phase, *Mobile Electronics*, featured smartphones, tablets, drones, wearables and accessories and was an even greater success than its inaugural event in October 2014, with growth in both booths and attendance.

"Over the past 10 years, we have focused on attracting quality-focused, innovative electronics suppliers from mainland China and across Asia and this has drawn the world's top buyers to our events. As a result, our electronics show has gained a reputation as a place to discover the most cutting-edge electronics products coming out of the region."

**Financial highlights – First quarter: 2015 compared to 2014**

- Revenue was \$22.2 million, as compared to \$34.5 million.
  - Online revenue was \$17.9 million, as compared to \$21.3 million.
  - Exhibitions revenue was \$0.3 million, as compared to \$8.9 million.
  - Print revenue was \$2.1 million, as compared to \$2.6 million.

- The company recorded a foreign exchange loss of \$0.3 million due to the devaluation of the yuan during the first quarter of 2015.
- IFRS net loss was \$2.1 million, or \$0.07 per diluted share, as compared to first quarter 2014 IFRS net income of \$0.1 million, or \$0.00 per diluted share.
- Non-IFRS net loss was \$1.4 million, or \$0.05 per diluted share, as compared to Non-IFRS net income of \$0.6 million, or \$0.02 per diluted share, for the first quarter of 2014.
- Adjusted EBITDA was \$0.02 million, as compared to \$5.9 million for the first quarter of 2014.
- Total deferred income and customer prepayments were \$114.8 million as at March 31, 2015, as compared to \$113.5 million as at March 31, 2014.

Global Sources' CFO, Connie Lai, stated: "The financial reporting timeframe for our *SIMM* machinery shows moved from the first quarter of 2015 to the second quarter of 2015 given the show's end date of April 2. The company maintains a strong balance sheet with positive cash flow, a cash balance of \$103.6 million and no debt."

#### **Financial expectations for the first half of 2015 under IFRS**

The company's guidance for the first half of 2015 ending June 30, 2015 follows.

- Revenue is now expected to be at the low-end of the previously guided range of \$90.0 million to \$92.0 million, as compared to \$92.8 million for the first half of 2014.
- IFRS EPS is expected to be in the range of \$0.15 to \$0.19, as compared to \$0.20 per diluted share in the first half of 2014. SBC and the amortization of intangibles as it relates to certain equity compensation plans are estimated to be an expense of \$0.04 per diluted share for the first half of 2015.
- Non-IFRS EPS is expected to be in the range of \$0.19 to \$0.23, as compared to \$0.28 per diluted share for the same period in 2014.
- Adjusted EBITDA is expected to be between \$12.9 million and \$14.1 million, as compared to \$17.7 million in the first half of 2014.

#### **Recent Corporate Highlights**

- Launched five new vertically specialized websites: *Fashion Accessories & Footwear*; *Fashion Apparel & Fabrics*; *Gifts & Premiums*; *Hardware*; and *Home Products*.
- *China Sourcing Fairs* were held in April 2015 at Hong Kong's AsiaWorld-Expo. The spring shows had more than 7,600 booths. Total attendance exceeded 77,300 and included buyers from more than 150 countries and territories.
- Held the *Shenzhen International Machinery Manufacturing Industry Exhibition* and its related shows, known as the *SIMM* machinery shows, March 30-April 2, 2015.

- Launched an enhanced version of *Mobile Electronics* plus three new vertically specialized websites for *Consumer Electronics*, *Security Products* and *Electronic Components*.
- *Private Sourcing Events* were held from January 2015 through March 2015 for more than 60 sourcing teams from very large buying organizations including Carrefour, Coppel, Dick Smith, El Corte Ingles, Gloria Jeans, LPP, Max Mara, Shop Direct, The Source, William E. Connor & Associates and others. These events created more than 370 high-quality, one-on-one selling opportunities for Global Sources suppliers.

### **Conference call for Global Sources first quarter 2015 earnings**

Executive chairman Merle A. Hinrich and CFO Connie Lai are scheduled to conduct a conference call at 8:00 a.m. ET on May 21, 2015 (8:00 p.m. on May 21, 2015 in Hong Kong) to review these results in more detail. Investors in the United States may participate in the call by dialing (888) 221-3881, and non-Hong Kong international participants may dial (1-913) 312-1476. Investors in Hong Kong may participate by dialing (852) 3008-0382. The conference ID is 8963600 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 May 28, 2015. To listen to the telephone replay dial (888) 203-1112 or dial (1-719) 457-0820 outside the United States, and enter pass code 8963600. For those in the Hong Kong area, the replay dial-in number is (800) 901-108, and the pass code is 8963600.

### **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](http://GlobalSources.com)), print and digital magazines, sourcing research reports, private sourcing events, and trade shows.

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

Global Sources' other businesses provide Chinese-language media to companies selling to and within Greater China. These services include online web sites, print and digital magazines, seminars and trade shows. In mainland China, Global Sources has a network of more than 30 office locations and a community of more than 5 million registered online users and magazine readers of its Chinese-language media.

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 income as net income excluding non-cash, SBC expense or credit, amortization of intangibles as it relates to certain equity compensation plans, profits or losses on acquisitions and 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 EPS is defined as non-IFRS net income divided by the weighted average of diluted common shares outstanding. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation, impairment of goodwill and intangible assets, and profits or losses on acquisitions and investments net of transaction costs and related tax expenses.

### **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 March 31, 2015	As at December 31, 2014
	(Unaudited)	
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents.....	\$ 92,802	\$ 90,223
Term deposits with banks.....	6,676	4,285
Financial assets, available-for-sale.....	4,155	3,952
Accounts receivables, net.....	1,868	2,269
Receivables from sales representatives.....	13,568	7,900
Inventories.....	180	154
Prepaid expenses and other current assets.....	25,597	17,027
	<b>144,846</b>	<b>125,810</b>
<b>Non-current assets</b>		
Property and equipment.....	62,316	63,519
Investment properties.....	85,091	85,546
Intangible assets.....	36,750	37,732
Long term investment.....	100	100
Deferred income tax assets.....	253	196
Other non-current assets.....	1,611	1,108
	186,121	188,201
<b>Total assets.....</b>	<b>\$ 330,967</b>	<b>\$ 314,011</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable.....	\$ 9,373	\$ 9,418
Deferred income and customer prepayments.....	108,713	84,869
Accrued liabilities.....	16,262	19,100
Income tax liabilities.....	784	3,848
	<b>135,132</b>	<b>117,235</b>
<b>Non-current liabilities</b>		
Accounts payable.....	290	889
Deferred income and customer prepayments.....	6,116	3,971
Deferred income tax liabilities.....	6,583	6,842
	12,989	11,702
<b>Total liabilities.....</b>	<b>148,121</b>	<b>128,937</b>
<b>Equity attributable to Company's shareholders</b>		
Common shares.....	532	529
Treasury shares.....	(200,089)	(200,089)
Other reserves.....	161,676	161,242
Retained earnings.....	207,797	209,924
<b>Total Company shareholders' equity.....</b>	<b>169,916</b>	<b>171,606</b>
Non-controlling interests.....	12,930	13,468
<b>Total equity.....</b>	<b>\$ 182,846</b>	<b>\$ 185,074</b>
<b>Total liabilities and equity.....</b>	<b>\$ 330,967</b>	<b>\$ 314,011</b>

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

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>		
Online and other media services (Note 1).....	\$ 20,054	\$ 23,842
Exhibitions.....	260	8,860
Miscellaneous.....	1,889	1,768
	<b>22,203</b>	<b>34,470</b>
<b>Operating Expenses:</b>		
Sales (Note 2).....	6,456	9,046
Event production.....	98	1,804
Community and content (Note 2).....	4,562	5,443
General and administrative (Note 2 & 3).....	11,002	14,128
Information and technology (Note 2).....	3,297	3,191
<b>Total Operating Expenses.....</b>	<b>25,415</b>	<b>33,612</b>
<b>Profit / (loss) from Operations.....</b>	<b>(3,212)</b>	<b>858</b>
Interest income.....	312	417
Gain on sale of available-for-sale securities.....	188	10
Interest expenses.....	(46)	(47)
<b>Profit / (loss) before income taxes.....</b>	<b>(2,758)</b>	<b>1,238</b>
Income tax credit / (expense).....	171	(355)
<b>Net profit / (loss).....</b>	<b>\$ (2,587)</b>	<b>\$ 883</b>
Net (profit) / loss attributable to non-controlling interests.....	460	(738)
<b>Net profit / (loss) attributable to the Company's shareholders</b>	<b>\$ (2,127)</b>	<b>\$ 145</b>
<b>Diluted net profit / (loss) per share attributable to the Company's shareholders.....</b>	<b>\$ (0.07)</b>	<b>*</b>
<b>Shares used in diluted net profit / (loss) per share calculations.....</b>	<b>31,361,130</b>	<b>36,174,507</b>

\* Basic and diluted net profit per share attributable to the Company's shareholders is less than \$0.01

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

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Online services.....	\$ 17,917	\$ 21,252
Print services.....	2,137	2,590
	<b>\$ 20,054</b>	<b>\$ 23,842</b>

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:

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales.....	\$ 37	\$ 7
Community and content.....	10	(59)
General and administrative.....	364	183
Information and technology.....	77	70
	<b>\$ 488</b>	<b>\$ 201</b>

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

Note: 3. General and administrative expenses consist of:

	<u>Three months ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
General and administrative expenses before amortization of intangible assets and foreign exchange losses.....	\$ 9,412	\$ 9,026
Amortization of intangible assets.....	1,273	3,461
Foreign exchange losses.....	317	1,641
	<u>\$ 11,002</u>	<u>\$ 14,128</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)

	Three months ended March 31,	
	2015	2014
<b>IFRS diluted net profit / (loss) per share</b>	<b>\$ (0.07)</b>	<b>*</b>
IFRS Net Profit / (Loss)	\$ (2,127)	\$ 145
Non-cash stock based compensation expense (Note 1)	488	201
Amortization of intangibles (Note 2)	211	253
<b>Non-IFRS Net Profit / (Loss)</b>	<b>\$ (1,428)</b>	<b>\$ 599</b>
<b>Non-IFRS diluted net profit / (loss) per share</b>	<b>\$ (0.05)</b>	<b>\$ 0.02</b>
Total shares used in non-IFRS diluted net profit / (loss) per share calculations	31,361,130	36,174,507

\* Basic and diluted net profit per share attributable to the Company's shareholders is less than \$0.01

**Notes:**

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

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

	Three months ended March 31,	
	2015	2014
IFRS profit / (loss) from operations	\$ (3,212)	\$ 858
Depreciation and amortization	2,745	4,846
<b>EBITDA</b>	<b>(467)</b>	<b>5,704</b>
Non-cash stock based compensation expense	488	201
Adjusted EBITDA	<b>\$ 21</b>	<b>\$ 5,905</b>



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

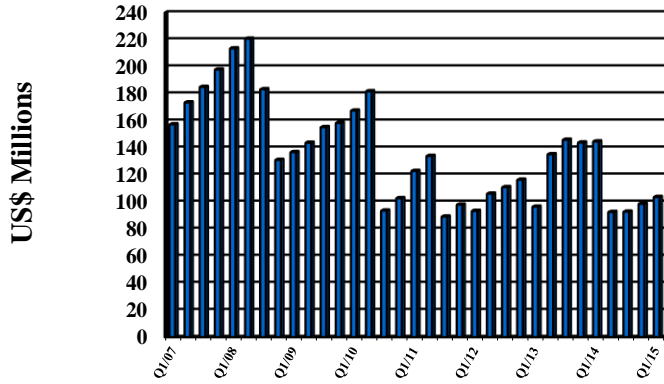
	<b>GUIDANCE</b>		<b>ACTUAL</b>
	Six months ended June 30, 2015		Six months ended June 30, 2014
Revenue	\$90.0	to	\$92.0
IFRS EPS	\$0.15	to	\$0.19
Non-cash stock based compensation expense (Note 1)	\$0.03		\$0.03
Amortization of intangibles (Note 2)	\$0.01		\$0.01
Impairment of goodwill and intangibles	-		-
<b>Non-IFRS diluted net income per share</b>	<b>\$0.19</b>	to	<b>\$0.23</b>
Total shares used in non-IFRS diluted net income per share calculations	31,740,000		35,672,551

**Notes:**

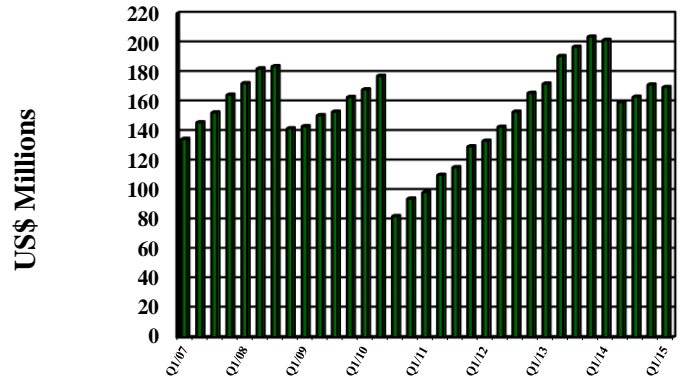
- (1) Actual SBC is calculated based on actual share price on date of the awards.  
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**GLOBAL SOURCES LTD. AND SUBSIDIARIES**

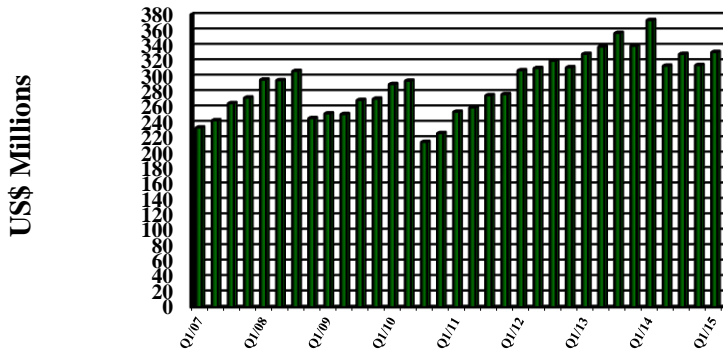
**Total Cash and Securities**



**Total Shareholders' Equity**



**Total Assets**



**Total Deferred Income  
Customer Prepayments**

