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**Online • Trade shows • Magazines • Research**  
**(NASDAQ-GS: GSOL)**

## **Investor Presentation**

global  sources

**45**  
**YEARS**

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# Safe Harbor

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*This presentation 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.*

# Business at a Glance

**A leading B2B media company connecting buyers worldwide with suppliers in China and Asia**

## Total Solution

- Online marketplaces
- Trade Shows
- Magazines
- Apps

**global**  **sources**

- Established 1971
- 2,100 team members
- 60 locations, 40 in Greater China

## Revenue Sources\*

- Marketing services
  - 59% exhibitions
  - 37% online and other media services
  - 4% miscellaneous
- 89% China

## Financial Strength

- Revenue of \$158M\*
- Adjusted EBITDA of \$32M#\*
- \$110M Cash and Securities\*\*
- No debt\*\*

\* Year ended December 31, 2016

\*\* As of December 31, 2016

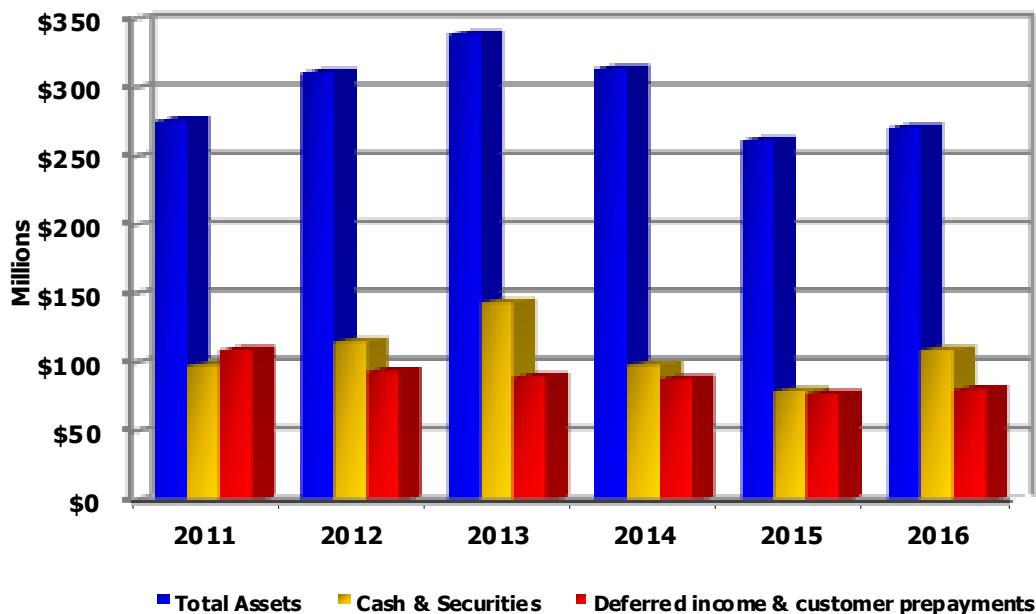
# See reconciliation in the appendix

# Income Statement

(in US\$ millions except number of shares and per share data)	2H2016	2H2015	YEAR 2016	YEAR 2015
<b>Revenue</b>				
Exhibitions	45.0	45.7	92.4	91.9
Online and other media services	27.6	34.5	58.3	70.2
Miscellaneous	3.2	4.9	6.9	8.9
<b>Total revenue</b>	<b>75.8</b>	<b>85.1</b>	<b>157.7</b>	<b>171.0</b>
Operating expenses	(68.3)	(78.0)	(141.3)	(152.3)
Profit on sale of property	0.0	9.8	0.0	9.8
<b>Profit from Operations</b>	<b>7.6</b>	<b>16.9</b>	<b>16.3</b>	<b>28.5</b>
Interest income	0.3	0.2	0.6	0.8
Gain on sale of available-for-sale securities	0.0	0.1	0.1	0.2
Profit on sale of long term investment	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	(0.1)
<b>Profit before Income Taxes</b>	<b>7.9</b>	<b>17.1</b>	<b>17.0</b>	<b>29.4</b>
Income tax credit / (expense)	0.8	(2.4)	1.3	(4.6)
<b>Net Profit from continuing operations</b>	<b>8.6</b>	<b>14.7</b>	<b>18.3</b>	<b>24.8</b>
<b>Net Profit from discontinued operations, net of income tax</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>5.6</b>
<b>Net profit</b>	<b>8.6</b>	<b>14.9</b>	<b>18.3</b>	<b>30.4</b>
Net (profit)/loss attributable to non-controlling interests from:				
Continuing operations	0.9	0.5	0.1	(0.8)
Discontinued operations	0.0	0.0	0.0	0.3
<b>Total</b>	<b>0.9</b>	<b>0.5</b>	<b>0.1</b>	<b>(0.5)</b>
<b>Net profit attributable to the Company's shareholders from:</b>				
<b>Continuing operations</b>	9.5	15.2	18.4	24.0
<b>Discontinued operations</b>	0.0	0.2	0.0	5.9
<b>Total</b>	<b>9.5</b>	<b>15.4</b>	<b>18.4</b>	<b>29.9</b>
<b>Diluted net profit per share attributable to the Company's shareholders from:</b>				
<b>Continuing operations</b>	<b>0.38</b>	<b>0.58</b>	<b>0.73</b>	<b>0.83</b>
<b>Discontinued operations</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.20</b>
<b>Total</b>	<b>0.38</b>	<b>0.59</b>	<b>0.73</b>	<b>1.03</b>
Total shares used in diluted net profit per share calculations (IFRS Net profit)	25,397,702	26,249,657	25,305,261	28,820,976

# Strong Balance Sheet

Total Assets, Cash & Securities, and Deferred Income & Customer Prepayments

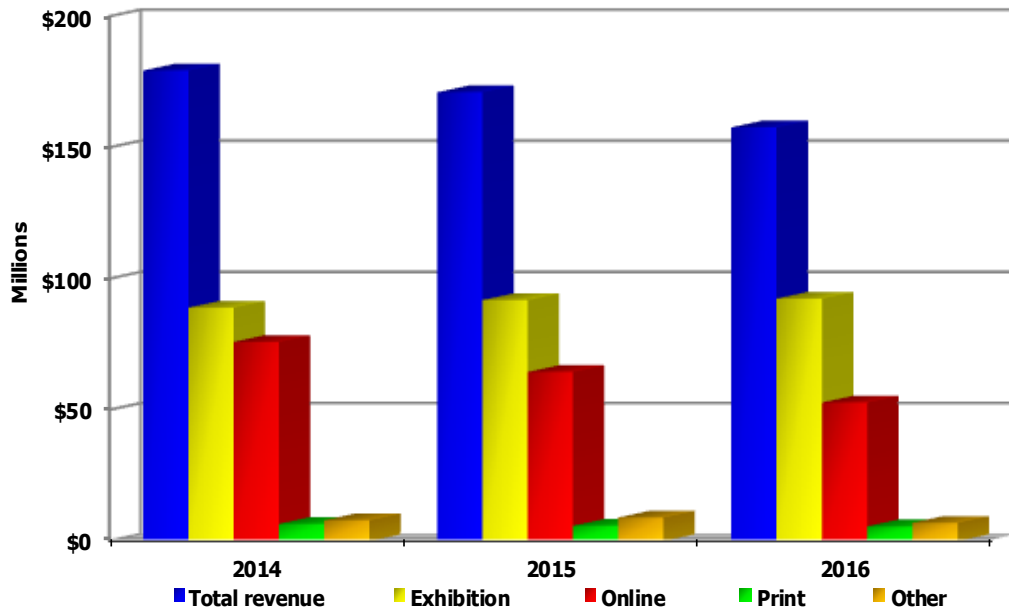


- No debt\*
- Cash and securities: \$110M\*, 41% of total assets
- In June 2015, completed sale of eMedia subsidiary
- In July 2015, completed \$50 million cash tender offer
- In December 2015, completed \$21.1 million sale of investment property in Shenzhen
- Deferred income \$81M\*

\* As of December 31, 2016

# Revenue

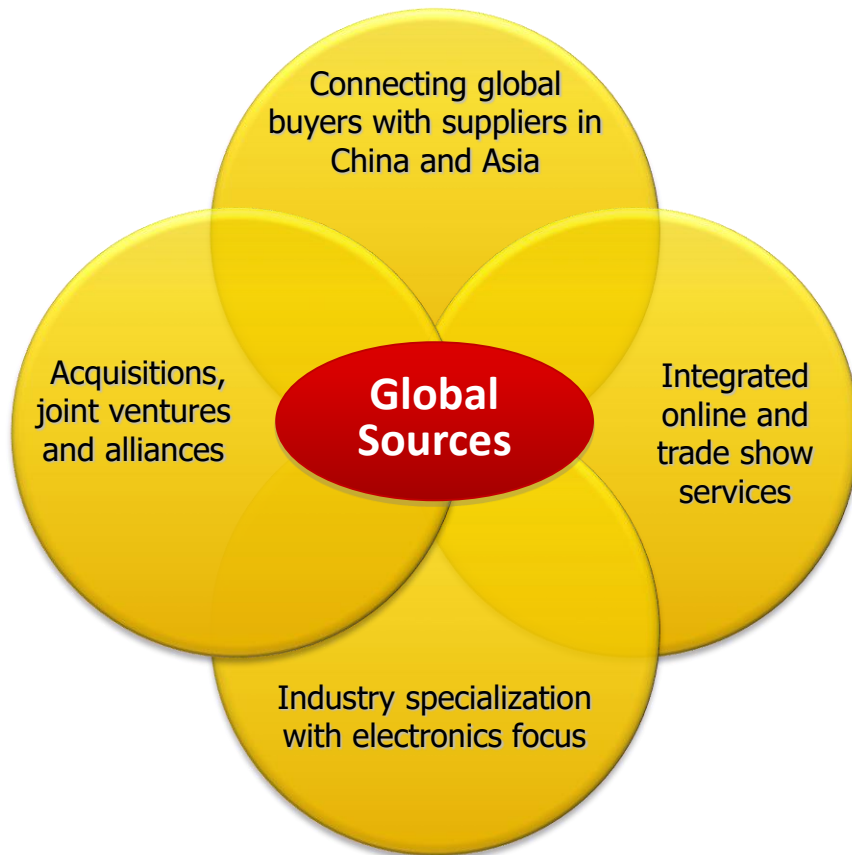
Total Revenue & Revenue Mix From Continuing Operations



- Exhibitions accounted for 59% of total revenue in 2016
- Online accounted for 33% of total revenue in 2016

# Strategy

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- Focus on core business of connecting buyers worldwide with suppliers in China and Asia
- Develop services and content that integrate online marketplaces with trade shows
- Industry specialization: gifts & home, hardware, fashion and electronics
- Acquisitions, joint ventures, and alliances



# Connecting buyers worldwide with suppliers in China and Asia

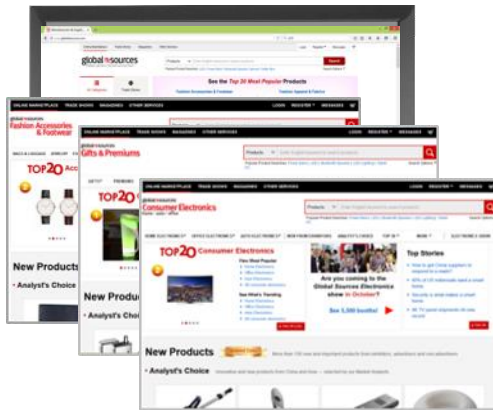


**Community: More than 250,000 verified and unverified suppliers**

- 16 industry-specific verticals
- 15,000 booths annually (April and October in Hong Kong)



**Community: More than 1.4 million active buyers worldwide**



**global sources**

**Find suppliers online • Meet at our shows**



# Develop integrated online and trade show offering

***Find* suppliers online**  
***Meet* at our shows**



- Objective: To integrate the best of online and trade shows
- Before shows, buyers need to be online to browse categories, contact suppliers, get pricing and plan meetings
- Being at the show is invaluable to see the latest products and to understand the capabilities of potential suppliers
- Mobile app enables buyers at the show to take product pictures and make notes about potential suppliers

# Industry specialization with electronics focus



- 16 industry vertical websites covering gifts & home, hardware, fashion and electronics
- China's electronics industry:
  - World's largest electronics manufacturing hub
  - Growing product innovation and robust activity around start-ups, accelerators and incubators
  - Electronics exports forecast to grow 10% per annum (on average) from 2015 – 2030\*



\* HSBC

# Continued...Leadership in China's electronics export industry



- *Global Sources Electronics* :
  - World's largest electronics sourcing show – including the *Startup Launchpad*
  - More than 5,500 booths every April and October
  - 40,000 suppliers online
  - 950,000 buyers, including 220,000 verified at our shows
  - 5 industry-specialized websites – focused on highlighting new, important and innovative products

Industry specialized sites include *Consumer Electronics*, *Security Products*, *Electronic Components*, *Drones and Robotics*; and *Mobile Electronics*.

# Acquisitions, joint ventures and/or alliances



- Seeking complementary businesses, technologies or products
- Priorities include acquiring media properties that will extend and enhance existing brands
- Completed acquisition of *Shenzhen International Machinery Manufacturing Industry Exhibition* in 2014

# Guidance: 1H 2017 vs. 1H 2016

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- Revenue \$76M to \$78M
  - Compared to \$82M
- IFRS EPS \$0.12 to \$0.16
  - Compared to \$0.35
- Non-IFRS EPS \$0.17 to \$0.21
  - Compared to \$0.45



# Board of Directors



Merle Hinrich  
*Executive Chairman*

Founder; Director on the Board of The Thunderbird Independent Alumni Association; Member of Economic Strategy Institute; International Board Member of the Weizmann Institute of Science; Investment Promotion Ambassador with Invest Hong Kong; Graduate Degree in International Trade from Thunderbird School of Global Management; Honorary Doctorate Degrees from the University of Nebraska and Thunderbird School of Global Management; and Honorary University Fellowship from Hong Kong Baptist University.



Sarah Benecke  
*Independent Director*

Chairman of Compensation Committee and Member of Executive Sessions Committee; former Principal Executive Officer from 1994 to 1999; former consultant for *China Sourcing Fairs* launch, development and expansion; and current Board Member of McPherson Media and Asia Contemporary Art Ltd.



Eddie Heng  
*Independent Director*

Chairman of Audit Committee and Member of Executive Sessions Committee; former Chief Financial Officer from 1994 to 2009; Singapore Chartered Accountant and Member of Institute of Singapore Chartered Accountants; Fellow Member of UK Association of Chartered Certified Accountants; current Audit Committee Member of Prison Fellowship Singapore; and former Regional Financial Controller of Hitachi Data Systems.



David Jones  
*Independent Director*

Member of Audit, Compensation and Executive Sessions Committees; current Executive Chairman of VGI Partners; current Chairman of Kudos Energy and Derwent Executive; current Chair of the National Museum of Australia; current Director of EC English Pty Ltd, EMR Capital Pty Ltd and Cape York Partnership Group Limited; former Managing Director of CHAMP Private Equity; and previously founded and led the development of UBS Capital's Australian and New Zealand business. .



Fumbi Chima  
*Independent Director*

Member of Compensation and Executive Sessions Committees; current Chief Information Officer for Burberry plc; former Chief Information Officer for Asia at Wal-Mart Stores; and former Vice President of Corporate Systems at American Express (New York).



Michael Scown  
*Independent Director*

Member of Compensation and Executive Sessions Committees; current Asia Managing Director, Treasury, for Intel Capital; previously Asia Regional Counsel for Intel Capital; former Partner in law firm Russin & Vecchi, LLC's San Francisco and Ho Chi Minh City offices; former Asia Assistant Regional Counsel for Marriott International, Inc. and former Foreign Service Officer with the U.S. Department of State.

# Awards and Indexes



*Gold Award for Management and Corporate Governance 2011, 2012, 2013, 2014, 2015 & 2016*



*Titanium Award for Corporate Governance & Investor Relations 2009 & 2010*



*2006, 2007, 2008, 2009, 2010, 2011, 2012 & 2013*



*Forbes Asia's 200 'Best Under a Billion' 2007*



*Microcap® Index*





# Investment Highlights

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- Large market opportunity primarily focused on China exports of electronics and other consumer goods
- Leading provider to the professional market
  - Deep relationships with the largest buyers
  - High quality community of verified suppliers
- Industry's broadest multi-channel platform driven by unique integration of trade shows and online marketplaces
- Strong balance sheet and 45-year track record of profitability



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**Thank You**

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# IFRS to Non-IFRS Reconciliation

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 income as IFRS net profit income excluding non-cash stock based compensation, SBC expense or credit, amortization of intangibles assets as it relates to certain equity compensation plans, profits or losses on acquisitions and disposals of, investments, and disposal 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.

*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
<b>IFRS diluted net profit per share from continuing operations</b>	<b>\$ 0.38</b>	<b>\$ 0.58</b>	<b>\$ 0.73</b>	<b>\$ 0.83</b>
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)
<b>Non-IFRS Net Profit continuing operations</b>	<b>\$ 12,849</b>	<b>\$ 8,737</b>	<b>\$ 24,187</b>	<b>\$ 18,975</b>
<b>Non-IFRS diluted net profit per share from continuing operations</b>	<b>\$ 0.51</b>	<b>\$ 0.33</b>	<b>\$ 0.96</b>	<b>\$ 0.66</b>
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.

# Adjusted EBITDA Reconciliation

Adjusted EBITDA is defined as profit earnings before interest, taxes, depreciation, amortization, non-cash stock- based compensation expense or credit, impairment of goodwill and intangible assets, and profits or losses on acquisitions and disposals of, investments, and disposal net of transaction costs and related tax expenses and impairment of goodwill and intangible assets.

*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
<b>EBITDA</b>	<b>11,774</b>	<b>21,841</b>	<b>25,265</b>	<b>38,471</b>
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	<b>\$ 15,622</b>	<b>\$ 13,079</b>	<b>\$ 31,961</b>	<b>\$ 30,829</b>