

**GLOBAL SOURCES LTD. AND SUBSIDIARIES**  
**2006 GAAP to NON-GAAP RECONCILIATION**  
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	<b>Three months ended Mar. 31</b>	<b>Three months ended Jun. 30</b>	<b>Three months ended Sept. 30</b>	<b>Three months ended Dec. 31</b>	<b>YEAR 2006</b>
Net Income	\$4,407	\$4,028	\$4,135	\$15,310	\$27,880
<b>Add:</b>					
Non-cash stock based compensation expense / (credit)	817	538	1,518	1,193	4,066
Loss on investment	0	0	0	743	743
<b>Less:</b>					
Gain on sale of shares to minority shareholder and interest income thereon	0	0	0	(7,906)	(7,906)
<b>Non-GAAP Net Income</b>	<b>\$5,224</b>	<b>\$4,566</b>	<b>\$5,653</b>	<b>\$9,340</b>	<b>\$24,783</b>
<b>Non-GAAP diluted net income per share</b>	<b>\$0.11</b>	<b>\$0.10</b>	<b>\$0.12</b>	<b>\$0.20</b>	<b>\$0.53</b>
Total shares used in non-GAAP diluted net income per share calculations	46,468,007	46,553,951	46,543,758	46,586,590	46,538,312

**Non-GAAP Net Income :**

Non-GAAP net income is defined as Net Income adjusted for the following:

- (i) Non-cash stock based compensation expense / (credit).
- (ii) An impairment charge of approximately \$743,000 on the company's HC International investment.
- (iii) A gain of \$7.9 million related to the sale 199 shares of its subsidiary eMedia Asia Ltd. minority shareholder and interest income thereon.