

GLOBAL SOURCES LTD. AND SUBSIDIARIES
2007 GAAP to NON-GAAP RECONCILIATION
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	Three months ending Mar. 31	Three months ended Jun. 30	Three months ended Sept. 30	Three months ended Dec. 31	YEAR 2007
Net Income	\$ 6,528	\$ 4,190	\$ 5,133	\$ 8,148	\$ 23,999
Add:					
Non-cash stock based compensation expense / (credit)	523	2,769	914	3,570	7,777
Loss on investment, net	0	1,846	0	0	1,846
Impairment charge for Blue Bamboo	0	0	0	3,101	3,101
Less:					
Gain on sales of HC shares	0	0	0	(2,361)	(2,361)
Non-GAAP Net Income	\$ 7,051	\$ 8,805	\$ 6,047	\$ 12,458	\$ 34,362
Non-GAAP diluted net income per share	\$ 0.15	\$ 0.19	\$ 0.13	\$ 0.26	\$ 0.73
Total shares used in non-GAAP diluted net income per share calculations	46,647,144	47,039,911	47,090,456	47,169,292	46,986,861

Non-GAAP Net Income :

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

- (1) Non-cash stock based compensation expense / (credit).
- (2) A gain of approximately \$2.4 million arising from the sale of the shares of HC International.
- (3) Impairment charge of approximately \$3.1 million recorded by the company on intangible assets and goodwill pertaining to the business acquisition of Blue Bamboo China Venture
- (4) An impairment charge of approximately \$2.3 million on the company's HC International investment, net of \$0.5 million received pursuant to indemnification obligations of the vendor under the purchase agreement for HC International investment.