



FOR IMMEDIATE RELEASE

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Global Sources First Quarter 2007 Results

- **Quarterly Revenue Up 16%; Net Income Up 48% Compared to First Quarter 2006 -**
- **Increased Revenue Guidance to Range Between \$86.9 Million and \$87.9 Million for the First Half of 2007, Up 16% to 17% as Compared to the Prior Year's Period -**
- **Increased EPS Guidance to Range Between \$0.28 and \$0.30, up 40% to 50% Compared to the Prior Year's Period -**

NEW YORK, May 22, 2007 - Global Sources Ltd. (NASDAQ: GSOL) reported financial results for the first quarter ended March 31, 2007.

Highlights: First Quarter 2007 Compared to First Quarter 2006

- * Revenue was \$34.9 million, up 16 percent from \$30.0 million.
 - Online revenue was \$17.3 million, up 14 percent from \$15.1 million.
 - Print revenue was \$11.8 million, up 7 percent from \$11.0 million.
 - Exhibitions revenue was \$4.8 million, up 30 percent from \$3.7 million.
- * Revenue from China was \$18.4 million, up 30 percent from \$14.2 million.
- * Deferred income and customer prepayments were \$76.1 million as at March 31st, up 23 percent from \$62.0 million last year at March 31st.

Net income was \$6.5 million, or \$0.15 per diluted share, due to greater than expected revenue and margin contribution from the 12th Annual International IC-China Conference & Exhibition (*IIC-China*). This is as compared to \$4.4 million, or \$0.10 per diluted share, in the prior year's quarter.

Chairman and CEO Merle A. Hinrichs said: "First quarter results were driven by market penetration and new product development. We achieved a record number of booths at the 12th *IIC-China* show and revenue from China grew by 30 percent. Also, our increased specialization of *Gifts & Home Products* into *Home Products* and *Gifts & Premiums*, together with our new *Security Products* magazine and its online marketplace, began contributing to revenue in the first quarter.

"We are moving forward with various initiatives to further expand into China's domestic B2B market where we will seek to leverage our brands, content, advertisers, sales organization, infrastructure, expertise and community. Our plans include the launch of two *China Sourcing Fairs* in Shanghai in December 2007; the launch of the Chinese-language *Elegant Living* magazine and website in September; and other initiatives still to be announced.

"Regarding our just completed April *China Sourcing Fairs* in Hong Kong, many exhibitors reported being impressed with the quality of buyers and, in turn, have committed to future *China Sourcing Fairs*. In fact, as a result of bookings at the April events, we have sold out our first Dubai show, to be held this coming June, and we have pre-sold the majority of our booth space for this October's *China Sourcing Fairs* in Hong Kong."

CFO Eddie Heng said: "We delivered greater than expected earnings per share of \$0.15 for two reasons: First, revenue was greater than expected due to higher online services revenue; and second, we expanded *IIC-China* to include a new pavilion, and the overall show was more profitable."

Financial Expectations: Second Quarter Revenue Increase - Up to 18 Percent

Second quarter 2007 revenue is expected to be in the range of \$52.0 million to \$53.0 million, representing growth of between 16 percent and 18 percent compared to the same quarter last year. Second quarter 2007 earnings per diluted share are expected to be between \$0.13 and \$0.15. This range represents growth of between 30 percent and 50 percent when compared to \$0.10 per diluted share in the second quarter 2006.

Revenue guidance for the six-month period ended June 30, 2007 is raised to now be in the range of \$86.9 million to \$87.9 million, up from the company's previous guidance of \$83.5 million to \$86.5 million given on March 6, 2007. The raised guidance range represents an increase of 16 percent to 17 percent as compared to \$74.9 million for the first six months of 2006. As noted previously, given that the *China Sourcing Fairs* were held for the first time in Hong Kong in 2006, the company continues to invest heavily to maximize their success and expects 2007 investments in new *China Sourcing Fairs* to be similar to their revenue contribution.

Earnings per diluted share for the six-month period ended June 30, 2007 are expected to be in the range of \$0.28 to \$0.30. This range is up 40 percent to 50 percent when compared to \$0.20 per diluted share for the same period in 2006.

“We expect the second half of 2007 to be stronger than the first half, reflecting contribution from new products including the new trade shows in Shanghai in December,” Heng said. “Also, as usual, we expect the fall *China Sourcing Fairs* to be larger than the spring events.”

Recent Corporate Highlights: IIC-China and China Sourcing Fairs; AsiaWorld-Expo Contract Extended

- Held four *China Sourcing Fairs* in Hong Kong this April: *Electronics & Components; Fashion Accessories; Gifts & Home Products*; and for the first time, *Underwear & Swimwear*. Over 6,200 booths were sold, up from approximately 5,900 in April 2006.

- Renewed and expanded contracts to host *China Sourcing Fairs* at Hong Kong's AsiaWorld-Expo from 2009 through 2012 and to include a new time period license for another show to be held each spring effective 2009.
- Held the *IIC-China* in March with a record-breaking 1,058 booths combined at events held in Shenzhen, Beijing and Shanghai, up 29 percent year-on-year.
- Announced plans to launch *Elegant Living* as a Chinese-language monthly magazine effective September 2007. *Elegant Living's* editorial mission is to advance the quality of life for China's business executives by providing critical information through well-designed magazines, websites, events and exhibitions.
- Sold all 500 booths at the first Dubai *China Sourcing Fair*. To be held in June 2007, the show is expected to be the largest exhibition of Greater China suppliers ever held in Dubai.
- Increased Global Sources' independently certified community of active buyers to more than 600,000 at the end of the first quarter, a 24 percent increase compared to the same quarter last year.
- Grew lead generation through *Global Sources Online*, which is measured as requests for information from buyers to suppliers, to over 13.7 million for the 12 months ended March 31, 2007. This is a 48 percent increase over the same period last year.

Conference Call for Global Sources First Quarter 2007 Earnings

Global Sources plans to conduct a conference call at 8:00 a.m. EDT on May 22, 2007 (8:00 p.m. on May 22, 2007 in Hong Kong) to review these results in more detail. Investors in the United States may participate in the call by dialing (888) 212-8315, and international participants may dial (1-706) 643-0144. Investors in Hong Kong may call (852) 3011-4522. A live webcast of the conference call is scheduled to be available on Global Sources' corporate site at <http://www.investor.globalsources.com>.

A webcast replay of the call is scheduled to be available on the company's corporate site for at least 30 days. A telephone replay of the call is also scheduled to be available through May 24, 2007. To listen to the telephone replay, dial (800) 642-1687, or dial (1-706) 645-9291 outside the United States, and enter pass code 5163953#. For those in the Hong Kong area, the replay dial-in number is (852) 3011-4541, and enter pass code 5163953#.

About Global Sources

Global Sources is a leading business-to-business (B2B) media company and a primary facilitator of two-way trade with Greater China. The core business is facilitating trade from Greater China to the world, using a wide range of English-language media. The other key business segment facilitates trade from the world to Greater China using Chinese-language media.

The company provides sourcing information to volume buyers and integrated marketing services to suppliers. It helps a community of over 600,000 active buyers source more profitably from complex overseas supply markets. With the goal of providing the most effective ways possible to advertise, market and sell, Global Sources enables suppliers to sell to hard-to-reach buyers in over 230 countries.

The company offers the most extensive range of media and export marketing services in the industries it serves. It delivers information on 1.8 million products and more than 150,000 suppliers annually through 13 online marketplaces, 12 monthly magazines, over 100 sourcing research reports and nine specialized trade shows which run 22 times a year across seven cities.

Suppliers receive more than 13 million sales leads annually from buyers through Global Sources Online (<http://www.globalsources.com>) alone.

Global Sources has been facilitating global trade for 36 years. In mainland China it has over 1,700 team members in 44 locations, and a community of over 1 million registered online users and magazine readers for Chinese-language media.

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.

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

	At March 31 2007 (Unaudited)	At December 31 2006
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 36,454	\$ 25,192
Available-for-sale securities.....	120,764	130,603
Accounts receivable, net.....	6,382	6,468
Receivables from sales representatives.....	17,333	13,238
Inventory	1,012	889
Prepaid expenses and other current assets.....	20,113	14,174
Total Current Assets.....	202,058	190,564
Property and equipment, net.....	27,890	28,374
Long term investments	100	100
Bonds held to maturity, at amortized cost	293	289
Other assets.....	2,613	1,562
Total Assets.....	\$ 232,954	\$ 220,889
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable.....	\$ 6,550	\$ 6,804
Deferred income and customer prepayments.....	73,463	62,036
Accrued liabilities.....	10,167	12,427
Income taxes payable.....	929	751
Total Current Liabilities.....	91,109	82,018
Liabilities for incentive and bonus plans.....	102	102
Deferred income and customer prepayments – long term.....	2,684	1,802
Deferred tax liability	368	403
Total Liabilities.....	94,263	84,325
Minority interest	3,930	2,913
Shareholders' equity:		
Common shares, US\$0.01 par value; 75,000,000 shares authorized; 42,337,568 (2006: 42,271,568) shares issued and outstanding.....	423	423
Additional paid in capital	126,776	125,832
Retained earnings.....	11,358	4,830
Accumulated other comprehensive (loss) income	(3,796)	2,566
Total Shareholders' Equity.....	134,761	133,651
Total Liabilities and Shareholders' Equity.....	\$ 232,954	\$ 220,889

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

	Three months ended March 31	
	2007	2006
	(Unaudited)	(Unaudited)
Revenue:		
Online and other media services (Note 3)	\$ 29,045	\$ 26,090
Exhibitions.....	4,816	3,712
Miscellaneous.....	1,086	229
	34,947	30,031
Operating Expenses:		
Sales (Note 4)	11,136	9,909
Event production	613	619
Community (Note 4)	5,273	4,674
General and administrative (Note 4).....	9,953	9,379
Online services development (Note 4)	1,286	1,054
Amortization of software costs	40	302
Total Operating Expenses	28,301	25,937
Income from Operations	6,646	4,094
Interest and dividend income	1,392	1,030
Gain on sale of available-for-sale securities	-	73
Foreign exchange gains (losses), net	(274)	(27)
Income before Income Taxes	7,764	5,170
Income Tax Expense	(219)	(203)
Net Income before Minority Interest	\$ 7,545	\$ 4,967
Minority interest	(1,017)	(811)
Net Income before cumulative effect of change in accounting principle.....	\$ 6,528	\$ 4,156
Cumulative effect of change in accounting principle (Note 5)	-	251
Net Income	\$ 6,528	\$ 4,407
Diluted net income per common share.....	\$ 0.15	\$ 0.10
Common shares used in diluted net income per common share calculations.....	40,979,435	40,735,777

Note : 3. Online and other media services consists of:

	Three months ended March 31	
	2007	2006
	(Unaudited)	(Unaudited)
Online services	\$ 17,270	\$ 15,094
Print services.....	11,775	10,996
	\$ 29,045	\$ 26,090

Note : 4. Non-cash compensation expenses associated with the several employee equity compensation plans and Directors Purchase Plan included under various categories of expenses are as follows:.

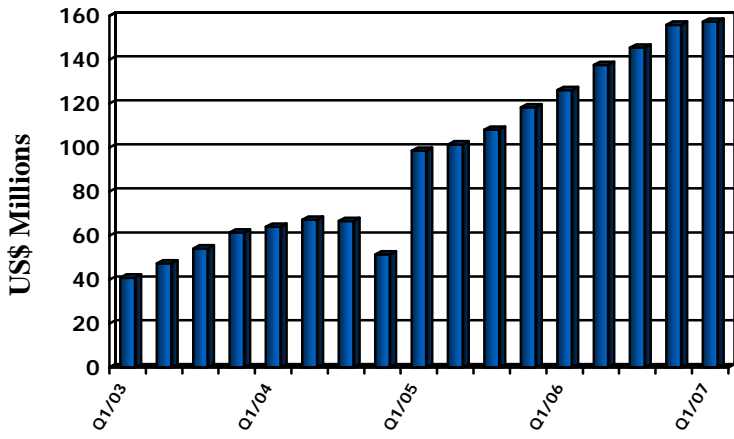
	Three months ended March 31	
	2007	2006
	(Unaudited)	(Unaudited)
Sales.....	\$ (133)	\$ 197
Community.....	85	32
General administrative	509	529
Online services development	62	59
	\$ 523	\$ 817

Note : 5. Represents the cumulative effect of change in accounting principle, resulting from the adoption of SFAS No. 123(R) with effect from January 1, 2006.

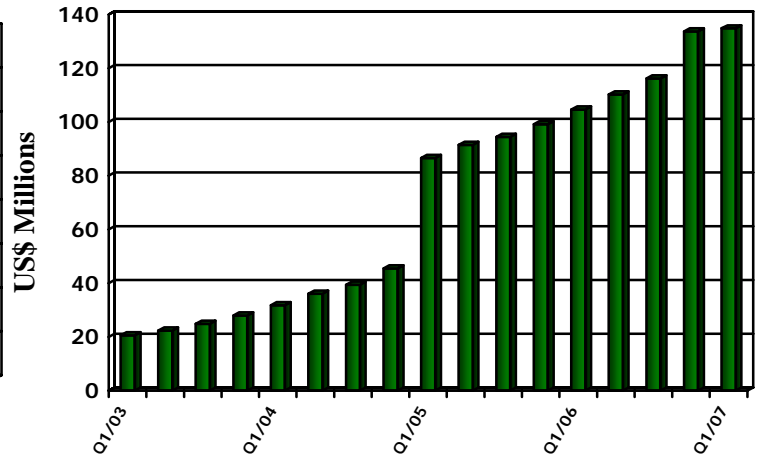
GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	Three months ended March 31	
	2007	2006
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net income	\$ 6,528	\$ 4,407
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,072	1,071
Accretion of U.S. Treasury strips zero % coupons	(4)	(7)
Unrealised dividend income on available-for-sale securities	-	(253)
Unrealised interest income on available-for-sale securities.....	(750)	(8)
Bad debt expense	100	43
Non-cash compensation expense	523	817
Income attributable to minority shareholder	1,017	811
Equipment written off.....	4	-
Cumulative effect of change in accounting principle.....	-	(251)
	8,490	6,630
Changes in assets and liabilities:		
Accounts receivables.....	(14)	579
Receivables from sales representatives.....	(4,095)	(4,550)
Inventory	(123)	(42)
Prepaid expenses and other current assets.....	(5,939)	(6,029)
Long term assets.....	(1,051)	(254)
Accounts payable.....	(254)	264
Accrued liabilities and liabilities for incentive and bonus plans.....	(2,260)	2,366
Deferred income and customer prepayments.....	12,309	9,026
Tax liability	143	83
Net cash provided by operating activities.....	7,206	8,073
Cash flows from investing activities:		
Purchase of property and equipment.....	(592)	(660)
Purchase of available-for-sale securities.....	(105,682)	(104,674)
Proceeds from sale of available-for-sale securities.....	109,908	98,728
Net cash generated from (used in) investing activities.....	3,634	(6,606)
Cash flows from financing activities:		
Amount received towards directors purchase plan	422	359
Net cash generated from financing activities.....	422	359
Net increase in cash and cash equivalents	11,262	1,826
Cash and cash equivalents, beginning of the period	25,192	94,321
Cash and cash equivalents, end of the period	\$ 36,454	\$ 96,147
Supplemental cash flow disclosures:		
Income tax paid.....	\$ 76	\$ 120

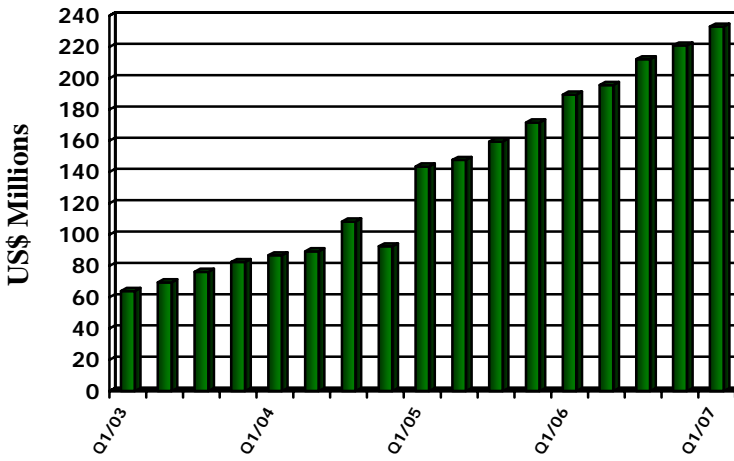
Total Cash and Securities



Total Shareholders' Equity



Total Assets



**Total Deferred Income
Customer Prepayments**

