



FOR IMMEDIATE RELEASE

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**Global Sources Announces Second Quarter 2007 Results and
Full Year 2007 Guidance**

- Quarterly Revenue Up 17% Compared to Second Quarter 2006 -**
- 2007 Revenue Expected to Increase by More than 16 to 17% Compared to 2006 -**
- Company to Launch Vertical Search Engine Service for Both International Trade
and China Domestic B2B Markets -**

NEW YORK, August 9, 2007 – Global Sources Ltd. (NASDAQ: GSOL) reported financial results for the second quarter and six months ended June 30, 2007. Full year 2007 guidance was also reported; revenue is expected to be in the range of \$182.0 million to \$183.5 million.

Highlights: Second Quarter 2007 Compared to Second Quarter 2006

- * Revenue was \$52.5 million, up 17% from \$44.8 million.
 - Online revenue was \$18.5 million, up 18% from \$15.7 million.
 - Print revenue was \$12.0 million, down 3% from \$12.4 million.
 - Exhibitions revenue was \$20.9 million, up 28% from \$16.4 million.
- * Revenue from China was \$32.6 million, up 37% from \$23.8 million.
- * GAAP net income was \$4.2 million and non-GAAP net income was \$6.0 million, up 4% and 50%, respectively, from GAAP and non-GAAP net income of \$4.0 million in the second quarter 2006.
- * GAAP earnings were \$0.10 per diluted share and non-GAAP earnings were \$0.14 per diluted share, even with and up 40% respectively, from GAAP and non-GAAP earnings per share of \$0.10 in the second quarter 2006.
- * Deferred income and customer prepayments were \$72.9 million as at June 30th, up 23% from \$59.2 million last year at June 30th.

During the second quarter, the company recorded a significant non-operating entry in accordance with GAAP: an impairment charge of \$1.8 million on its HC International investment. Management defines non-GAAP net income as net income excluding the impairment charge on its HC International investment. Non-GAAP net income per diluted common share is defined as non-GAAP net income divided by the weighted average of diluted common shares outstanding. Management believes non-GAAP net income and non-GAAP net income per diluted common share are useful measures. Tables reconciling GAAP and non-GAAP measures follow in this press release.

Chairman and CEO Merle A. Hinrichs said: “Second quarter results were largely driven by online services and our export-focused *China Sourcing Fairs*. For 2008, we plan to expand our overall trade show schedule to 28 events, up by seven shows over 2007. Following on from our tremendous trade show growth in 2007, we are extending our geographic scope and the number of verticals we serve, and increasing booth capacity in our Dubai and Shanghai venues.”

“As we announced earlier this week, early in the fourth quarter we plan to launch two important online vertical search initiatives. The first initiative is the scheduled launch of *Global Sources Online 2.0*, our flagship site for international trade. Powered by a new proprietary vertical search engine and content aggregation technology, the site aims to deliver results from across the web, while also providing greatly expanded functionality and services to help buyers qualify suppliers.

“The second initiative is the scheduled launch of a Chinese-language site to serve China’s domestic B2B market. With much of the same functionality as our English-language site, this service is aimed at volume buyers in China.

“We believe these exciting new services and programs will be catalysts for amplifying the long-term growth and profitability for the online segment of our business – and also for developing new print and tradeshow opportunities, both in China and overseas.”

Highlights: Six Months Ended June 30, 2007

For the six-month period ended June 30, 2007, revenue was \$87.5 million, compared to \$74.9 million in the six-month period ended June 30, 2006. GAAP net income for the six months ended June 30, 2007 was \$10.7 million, or \$0.25 per diluted share. Non-GAAP net income

was \$12.6 million, or \$0.29 per diluted share. This compares to net income, GAAP and non-GAAP, for the six-months ended June 30, 2006 of \$8.4 million or \$0.20 per diluted share.

CFO Eddie Heng said: “Our solid second quarter revenue of \$52.5 million was within our expectations. While we expect growth from print services for the year, we had an unexpected year-over-year decline in the quarter due to soft sales from several of our Chinese-language magazines. In addition, we are beginning to see increasing leverage in our *China Sourcing Fairs* model and anticipate this to continue. As a result of the anticipated growth in each of our revenue lines, we are guiding full year revenue for 2007 of 16 to 17 percent growth over 2006.”

Financial Expectations: Third Quarter Revenue Increase - Up 14 to 16 Percent

Third quarter 2007 revenue is expected to grow by 14 to 16 percent to be in the range of \$33.5 million to \$34.0 million. Third quarter 2007 earnings per diluted share are expected to be between \$0.11 and \$0.12.

For the full year 2007, management expects revenue to be in the range of \$182.0 million to \$183.5 million. GAAP earnings per diluted share for the year are expected to be in the range of \$0.62 to \$0.65. Non-GAAP earnings per diluted share for the year are expected to be in the range of \$0.66 to \$0.69.

Recent Corporate Highlights: Held First-Ever *China Sourcing Fair* in Dubai; *International IC-China* Show Expanding to Fourth Location; Launching Online Sites and Monthly Magazines for *Elegant Living* and *Sports & Leisure*

- Attracted over 75,000 buyers from more than 150 countries at the April *China Sourcing Fairs* in Hong Kong. Booths sold increased to 6,200.
- Launched *China Sourcing Fair: Underwear & Swimwear* effective with the April trade shows in Hong Kong.
- Held first-ever Dubai *China Sourcing Fair* in June 2007. With over 500 booths, the *Fair* was the largest exhibition of China suppliers ever held in Dubai.
- Announced plans to expand *International IC-China Conference & Exhibition (IIC-China)*, to include a fourth location, Chengdu, scheduled to start in February 2008.
- Announced plans for a second half launch of *Sports & Leisure*, an online marketplace and monthly magazine.
- Announced the September launch of *Elegant Living* website and magazine targeting China’s growing affluent class.

- Increased Global Sources' independently certified community of active buyers to more than 635,000 at the end of the second quarter, a 20% 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 18.7 million for the 12 months ended June 30, 2007. This is a 162% increase over the same period last year.
- Appointed Robert Lees as an additional director of Global Sources, effective as of July 30 through the next Annual General Meeting, at which time shareholders may vote to re-appoint him.

Conference Call for Global Sources Second Quarter 2007 Earnings

Global Sources plans to conduct a conference call at 8:00 a.m. EDT on August 9, 2007 (8:00 p.m. on August 9, 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 August 13, 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 5994229#. For those in the Hong Kong area, the replay dial-in number is (852) 3011-4541, and enter pass code 5994229#.

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 635,000 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 18 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.

- Tables to Follow -

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

	<u>At</u> <u>June 30</u> <u>2007</u> <u>(Unaudited)</u>	<u>At</u> <u>December 31</u> <u>2006</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents.....	\$ 32,148	\$ 25,192
Available-for-sale securities.....	141,367	130,603
Accounts receivable, net.....	5,547	6,468
Receivables from sales representatives.....	9,906	13,238
Inventory	1,165	889
Prepaid expenses and other current assets.....	13,728	14,174
Total Current Assets.....	203,861	190,564
Property and equipment, net.....	34,851	28,374
Long term investments	100	100
Bonds held to maturity, at amortized cost	297	289
Other assets.....	3,250	1,562
Total Assets.....	\$ 242,359	\$ 220,889
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable.....	\$ 6,166	\$ 6,804
Deferred income and customer prepayments.....	68,394	62,036
Accrued liabilities.....	11,579	12,427
Income taxes payable.....	1,135	751
Total Current Liabilities.....	87,274	82,018
Liabilities for incentive and bonus plans.....	102	102
Deferred income and customer prepayments – long term.....	4,495	1,802
Deferred tax liability	295	403
Total Liabilities.....	92,166	84,325
Minority interest	4,238	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	129,545	125,832
Retained earnings.....	15,548	4,830
Accumulated other comprehensive income	439	2,566
Total Shareholders' Equity.....	145,955	133,651
Total Liabilities and Shareholders' Equity.....	\$ 242,359	\$ 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 June 30		Six months ended June 30	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:				
Online and other media services (Note 3)	\$ 30,534	\$ 28,078	\$ 59,579	\$ 54,168
Exhibitions	20,883	16,367	25,699	20,079
Miscellaneous.....	1,128	381	2,214	610
	52,545	44,826	87,492	74,857
Operating Expenses:				
Sales (Note 4).....	17,666	14,345	28,802	24,254
Event production	9,464	8,497	10,077	9,116
Community (Note 4)	7,435	7,557	12,708	12,231
General and administrative (Note 4).....	11,492	9,828	21,445	19,207
Online services development (Note 4)	1,300	1,068	2,586	2,122
Amortization of software costs	40	305	80	607
Total Operating Expenses	47,397	41,600	75,698	67,537
Income from Operations	5,148	3,226	11,794	7,320
Interest and dividend income.....	1,724	1,318	3,116	2,348
Gain on sale of available-for-sale securities.....	-	227	-	300
Loss on investment, net.....	(1,846)	-	(1,846)	-
Foreign exchange gains (losses), net	(190)	(201)	(464)	(228)
Income before Income Taxes	4,836	4,570	12,600	9,740
Income Tax Expense	(338)	(220)	(557)	(423)
Net Income before Minority Interest	\$ 4,498	\$ 4,350	\$ 12,043	\$ 9,317
Minority interest	(308)	(322)	(1,325)	(1,133)
Net Income before cumulative effect of change in accounting principle	\$ 4,190	\$ 4,028	\$ 10,718	\$ 8,184
Cumulative effect of change in accounting principle(Note5).....	-	-	-	251
Net Income	\$ 4,190	\$ 4,028	\$ 10,718	\$ 8,435
Diluted net income per share	\$ 0.10	\$ 0.10	\$ 0.25	\$ 0.20
Total shares used in diluted net income per share calculations	42,828,613	42,340,666	42,631,899	42,300,614

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

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Online services	\$ 18,492	\$ 15,685	\$ 35,762	\$ 30,779
Print services.....	12,042	12,393	23,817	23,389
	\$ 30,534	\$ 28,078	\$ 59,579	\$ 54,168

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:

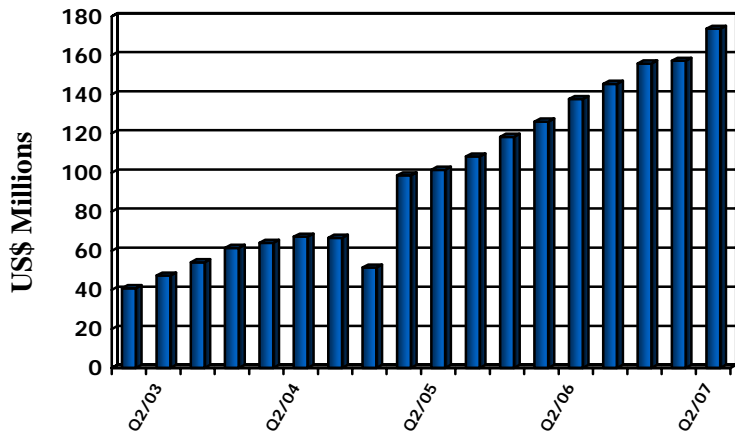
	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales.....	\$ 1,519	\$ 186	\$ 1,386	\$ 383
Community.....	17	21	102	53
General administrative	1,135	292	1,645	821
Online services development.....	98	39	160	98
	\$ 2,769	\$ 538	\$ 3,293	\$ 1,355

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.

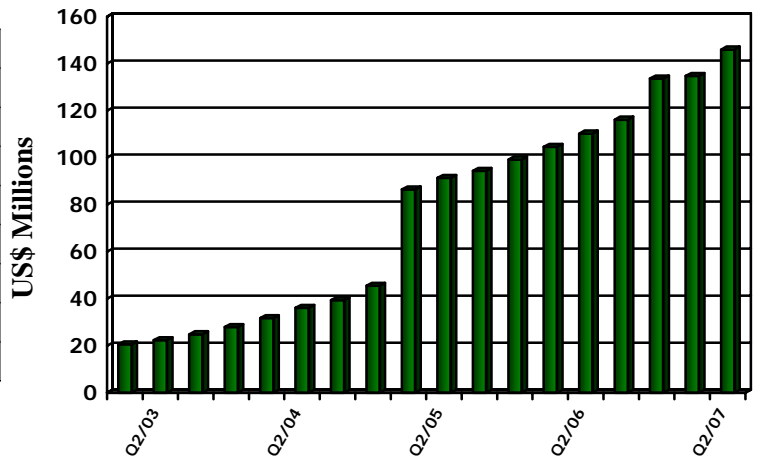
GLOBAL SOURCES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

	Six months ended June 30	
	2007	2006
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net income.....	\$ 10,718	\$ 8,435
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	2,154	2,191
Accretion of U.S. Treasury strips zero % coupons	(8)	(14)
Unrealised dividend income on available-for-sale securities	-	(280)
Unrealised interest income on available-for-sale securities	(829)	(36)
Impairment of investment.....	2,301	-
Profit on sale of equipment.....	-	(32)
Bad debt expense.....	100	130
Non-cash compensation expense	3,293	1,355
Income attributable to minority shareholder	1,325	1,133
Equipment written off.....	4	1
Cumulative effect of change in accounting principle.....	-	(251)
	19,058	12,632
Changes in assets and liabilities:		
Accounts receivables.....	821	(451)
Receivables from sales representatives.....	3,332	(2,988)
Inventory	(276)	(155)
Prepaid expenses and other current assets.....	445	(1,444)
Long term assets.....	(1,688)	(657)
Accounts payable.....	(638)	1,972
Accrued liabilities and liabilities for incentive and bonus plans.....	(848)	3,538
Deferred income and customer prepayments.....	9,051	6,194
Tax liability	276	197
Net cash provided by operating activities.....	29,533	18,838
Cash flows from investing activities:		
Purchase of property and equipment.....	(8,636)	(1,789)
Proceeds from sale of equipment	-	32
Purchase of available-for-sale securities.....	(229,953)	(225,766)
Proceeds from sale of available-for-sale securities.....	215,590	210,558
Net cash used in investing activities.....	(22,999)	(16,965)
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	6,956	2,232
Cash and cash equivalents, beginning of the period	25,192	94,321
Cash and cash equivalents, end of the period	\$ 32,148	\$ 96,553
Supplemental cash flow disclosures:		
Income tax paid.....	\$ 281	\$ 226

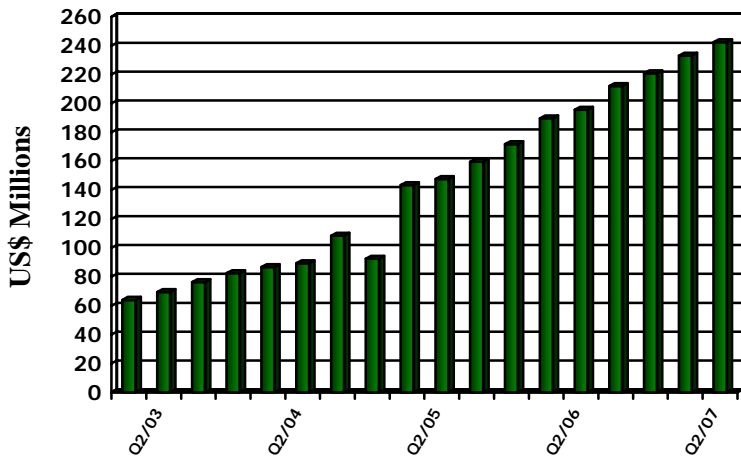
Total Cash and Securities



Total Shareholders' Equity



Total Assets



**Total Deferred Income
Customer Prepayments**

