

## FOR IMMEDIATE RELEASE

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## **Global Sources Announces Third Quarter 2007 Results**

**– Quarterly Revenue Up 15% Compared to the Third Quarter 2006 –**

**– EPS up 20% Compared to the Third Quarter 2006 –**

**NEW YORK, Nov. 15, 2007** – Global Sources Ltd. (NASDAQ: GSOL) reported financial results for the third quarter and nine months ended Sept. 30, 2007.

### **Highlights: Third Quarter 2007 Compared to Third Quarter 2006**

- Revenue was \$33.8 million, up 15% from \$29.3 million.
  - Online revenue was \$19.7 million, up 18% from \$16.7 million.
  - Print revenue was \$12.6 million, up 6% from \$11.9 million.
- Revenue from mainland China was \$19.9 million, up 28% from \$15.5 million.
- EPS was \$0.12 per diluted share, up 20% from \$0.10.
- Total deferred income and customer prepayments were \$88.1 million as at Sept. 30, 2007, up 28% from \$68.7 million as at Sept. 30, 2006.

Chairman and CEO Merle A. Hinrichs said: “Our strong third quarter results reflect the growth of our online services and increased revenues from mainland China. Early in the fourth quarter, we launched *Global Sources Online 2.0*, which provides buyers with the leading search experience in our industry, delivering comprehensive search results, plus the capability to identify verified suppliers. *Global Sources Online 2.0* is also very important to our future online growth, as it should enable us to generate revenue from new services and pricing programs we expect to begin rolling out in 2008.

“We are extremely pleased with our position in the market, with our prospects for long-term growth and success, and with our clear differentiation. Our supplier customers have three primary objectives: lead generation, branding and differentiation from their competitors, and opportunities to get face-to-face with buyers to negotiate and win orders. With our integrated offering of online marketplaces, magazines and trade shows, we are able to deliver all three, in sharp contrast to our online-only competitors who really only provide lead generation.

“In addition, it is increasingly recognized by suppliers that we have the leadership position serving the larger and more professional buyers, who account for the majority of import volume, in contrast with competitors who focus more on the SME part of the market.”

**Highlights: Nine Months Ended Sept. 30, 2007**

For the nine-month period ended Sept. 30, 2007, revenue was \$121.3 million, compared to \$104.2 million for the nine-month period ended Sept. 30, 2006. GAAP net income for the period was \$15.8 million and included an impairment charge of \$1.8 million on the company’s HC International, Inc. investment taken during the second quarter of 2007. GAAP EPS was \$0.37 per diluted share. Non-GAAP net income excluding this charge was \$17.7 million, or \$0.41 per diluted share. This is as compared to net income for the nine months ended Sept. 30, 2006, GAAP and Non-GAAP, of \$12.6 million or \$0.30 per diluted share.

CFO Eddie Heng, said: “We had a solid third quarter, with revenue of \$33.8 million and EPS of \$0.12 within guidance. Cash from operations for the quarter totaled \$15.5 million, bringing our nine months ended Sept. 30<sup>th</sup> figure to \$45.0 million. We are beginning to see increasing leverage from our *China Sourcing Fairs*, which were profitable in Hong Kong for the first time this past October, and we anticipate this to continue. In addition, we are reaffirming our guidance for 2007 full year revenue of 16 to 17% growth over 2006.”

**Financial Expectations: Fourth Quarter Revenue Increase – Up 17 to 19%**

Fourth quarter 2007 revenue is expected to grow by 17 to 19% to be in the range of \$61 million to \$62 million, as compared to \$52.3 million for the same period in 2006. Fourth quarter 2007 earnings per diluted share are expected to be in the range of \$0.25 to \$0.28, as compared to \$0.36 in the fourth quarter of 2006, when the company recorded an extraordinary gain of \$7.9 million. Excluding this extraordinary gain, Non-GAAP earnings per diluted share were \$0.19.

For the full year 2007, management still expects revenue to be up 16 to 17% as compared to 2006, and is narrowing the full year revenue range to now be in the range of \$182.3 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 full year 2007, which exclude an impairment charge recorded in the second quarter of 2007 of \$1.8 million on the HC International, Inc. investment, are expected to be in the range of \$0.66 to \$0.69. This range represents growth of between 35 and 41% as compared to Non-GAAP earnings of \$0.49 in 2006, which excluded the aforementioned extraordinary gain recorded in the fourth quarter of 2006.

### **Recent Corporate Highlights**

- Launched *Global Sources Online 2.0* (<http://www.globalsources.com>), a unique new vertical search engine and marketplace, which delivers comprehensive search results and verified suppliers. It also provides new functionality and services to help buyers qualify suppliers.
- Scheduled the fourth quarter launch of a new Chinese-language search engine and online marketplace called *China Global Sources Online* (<http://www.globalsources.com.cn>). The site aims to enable both global and Chinese companies to market to volume buyers in mainland China's domestic B2B market.
- Acquired the assets of Beijing-based Blue Bamboo China Ventures, or "Blue Bamboo," as part of Global Sources' online expansion in China. Blue Bamboo's experienced personnel also joined the Global Sources team.
- Increased Global Sources' independently certified community of active buyers to more than 647,000 at the end of the third quarter, a 19% increase compared to the same quarter last year.
- Grew lead generation, which is measured as requests for information from buyers to suppliers through *Global Sources Online*, to over 23 million for the 12 months ended Sept. 30, 2007. This is up more than 220% compared to the same period last year.
- Announced two *China Sourcing Fairs* in India: *Electronics* and *Hardware & DIY*. They are scheduled for November 2008 at the Bombay Exhibition Center in Mumbai and Pico Event Management has been licensed to manage the events.
- Held four successful *China Sourcing Fairs* in October:
  - *Electronics & Components*, sold out with more than 2,770 booths, including over 1,900 from mainland China alone;
  - *Fashion Accessories*, Asia's largest specialized fashion accessories trade show, hosted 800 booths;
  - *Underwear & Swimwear*, Asia's only underwear and swimwear sourcing event, hosted 250 booths; and

- *Gifts & Home Products*, Global Sources' single largest specialized fair, featured over 3,700 booths.
- Joined forces with three companies for verification and qualification-related services:
  - Verify Limited for online credit reports;
  - Bureau Veritas for supplier capability and related assessments; and
  - PIERS to help exporters qualify buyers based on import activity reports.
- Merle A. Hinrichs, chairman and CEO of Global Sources, rang the NASDAQ Stock Market Opening Bell on Sept. 7, 2007.

### **Conference Call for Global Sources Third Quarter 2007 Earnings**

Global Sources is scheduled to conduct a conference call at 8:00 a.m. ET on Nov. 15, 2007 (9:00 p.m. on Nov. 15, 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 [www.investor.globalsources.com](http://www.investor.globalsources.com).

For those who cannot listen to the live broadcast, a webcast replay of the call is scheduled to be available on the company's corporate site (<http://www.corporate.globalsources.com>) for at least 30 days. A telephone replay of the call is also scheduled to be available through Nov. 19, 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 20130665#. For those in the Hong Kong area, the replay dial-in number is (852) 3011-4541 and enter pass code 20130665#.

### **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 647,000 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 2 million products and more than 160,000 suppliers annually through 14 online marketplaces, 13 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 23 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 2,000 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)

	At September 30 2007 (Unaudited)	At December 31 2006
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and cash equivalents.....	\$ 31,393	\$ 25,192
Available-for-sale securities.....	153,475	130,603
Accounts receivable, net.....	6,362	6,468
Receivables from sales representatives.....	9,742	13,238
Inventory .....	937	889
Prepaid expenses and other current assets.....	20,433	14,174
<b>Total Current Assets.....</b>	<b>222,342</b>	<b>190,564</b>
Property and equipment, net.....	35,293	28,374
Intangible assets .....	3,000	-
Long term investments.....	100	100
Bonds held to maturity, at amortized cost .....	301	289
Other assets.....	3,582	1,562
<b>Total Assets.....</b>	<b>\$ 264,618</b>	<b>\$ 220,889</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b>Current Liabilities:</b>		
Accounts payable.....	\$ 6,500	\$ 6,804
Deferred income and customer prepayments.....	80,545	62,036
Accrued liabilities.....	11,413	12,427
Income taxes payable.....	959	751
<b>Total Current Liabilities.....</b>	<b>99,417</b>	<b>82,018</b>
Liabilities for incentive and bonus plans.....	102	102
Deferred income and customer prepayments – long term.....	7,554	1,802
Deferred tax liability .....	293	403
<b>Total Liabilities.....</b>	<b>107,366</b>	<b>84,325</b>
Minority interest .....	4,583	2,913
<b>Shareholders' equity:</b>		
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 .....	130,460	125,832
Retained earnings.....	20,681	4,830
Accumulated other comprehensive income .....	1,105	2,566
<b>Total Shareholders' Equity.....</b>	<b>152,669</b>	<b>133,651</b>
<b>Total Liabilities and Shareholders' Equity.....</b>	<b>\$ 264,618</b>	<b>\$ 220,889</b>

**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 September 30		Nine months ended September 30	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue:</b>				
Online and other media services (Note 1) .....	\$ 32,270	\$ 28,594	\$ 91,849	\$ 82,762
Exhibitions .....	454	435	26,153	20,514
Miscellaneous .....	1,059	291	3,273	901
	<b>33,783</b>	<b>29,320</b>	<b>121,275</b>	<b>104,177</b>
<b>Operating Expenses:</b>				
Sales (Note 2) .....	12,330	10,675	41,132	34,929
Event production .....	163	129	10,240	9,245
Community (Note 2) .....	5,051	4,423	17,759	16,654
General and administrative (Note 2) .....	10,484	9,133	31,929	28,340
Online services development (Note 2) .....	1,614	1,232	4,200	3,354
Amortization of software costs .....	38	315	118	922
<b>Total Operating Expenses .....</b>	<b>29,680</b>	<b>25,907</b>	<b>105,378</b>	<b>93,444</b>
<b>Income from Operations .....</b>	<b>4,103</b>	<b>3,413</b>	<b>15,897</b>	<b>10,733</b>
Interest and dividend income .....	1,758	1,426	4,874	3,774
Gain on sale of available-for-sale securities .....	-	9	-	309
Loss on investment, net .....	-	-	(1,846)	-
Foreign exchange gains (losses), net .....	(294)	(228)	(758)	(456)
<b>Income before Income Taxes .....</b>	<b>5,567</b>	<b>4,620</b>	<b>18,167</b>	<b>14,360</b>
<b>Income Tax Expense .....</b>	<b>(89)</b>	<b>(153)</b>	<b>(646)</b>	<b>(576)</b>
<b>Net Income before Minority Interest .....</b>	<b>\$ 5,478</b>	<b>\$ 4,467</b>	<b>\$ 17,521</b>	<b>\$ 13,784</b>
Minority interest .....	(345)	\$ (332)	(1,670)	\$ (1,465)
<b>Net Income before cumulative effect of change in accounting principle .....</b>	<b>\$ 5,133</b>	<b>\$ 4,135</b>	<b>\$ 15,851</b>	<b>\$ 12,319</b>
Cumulative effect of change in accounting principle(Note3) .....	-	-	-	251
<b>Net Income .....</b>	<b>\$ 5,133</b>	<b>\$ 4,135</b>	<b>\$ 15,851</b>	<b>\$ 12,570</b>
<b>Diluted net income per share .....</b>	<b>\$ 0.12</b>	<b>\$ 0.10</b>	<b>\$ 0.37</b>	<b>\$ 0.30</b>
<b>Total shares used in diluted net income per share calculations .....</b>	<b>42,877,889</b>	<b>42,329,083</b>	<b>42,713,973</b>	<b>42,310,217</b>

Note: 1. Online and other media services consists of:

	Three months ended September 30		Nine months ended September 30	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Online services .....	\$ 19,656	\$ 16,690	\$ 55,418	\$ 47,469
Print services .....	12,614	11,904	36,431	35,293
	<b>\$ 32,270</b>	<b>\$ 28,594</b>	<b>\$ 91,849</b>	<b>\$ 82,762</b>

Note: 2. 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 September 30		Nine months ended September 30	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited)
Sales.....	\$ 483	\$ 701	\$ 1,869	\$ 1,084
Community.....	55	27	157	80
General administrative.....	311	746	1,956	1,567
Online services development.....	65	44	225	142
	<b>\$ 914</b>	<b>\$ 1,518</b>	<b>\$ 4,207</b>	<b>\$ 2,873</b>

Note: 3. 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)

	Nine months ended September 30	
	2007	2006
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities:</b>		
Net income.....	\$ 15,851	\$ 12,570
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization .....	3,354	3,370
Accretion of U.S. Treasury strips zero % coupons .....	(12)	(21)
Unrealised dividend income on available-for-sale securities .....	-	(19)
Unrealised interest income on available-for-sale securities .....	(961)	(762)
Impairment of investment.....	2,301	-
Profit on sale of equipment.....	-	(30)
Bad debt expense.....	293	131
Non-cash compensation expense .....	4,207	2,873
Income attributable to minority shareholder .....	1,670	1,465
Equipment written off.....	264	1
Cumulative effect of change in accounting principle.....	-	(251)
	26,967	19,327
<b>Changes in assets and liabilities:</b>		
Accounts receivables.....	(187)	(114)
Receivables from sales representatives.....	3,496	(5,107)
Inventory .....	(49)	(85)
Prepaid expenses and other current assets.....	(6,259)	(8,882)
Long term assets.....	(2,020)	(1,006)
Accounts payable.....	(304)	1,525
Accrued liabilities and liabilities for incentive and bonus plans.....	(1,014)	4,506
Deferred income and customer prepayments.....	24,261	15,721
Tax liability .....	98	204
<b>Net cash provided by operating activities.....</b>	<b>44,989</b>	<b>26,089</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment.....	(10,537)	(2,307)
Proceeds from sale of equipment .....	-	30
Purchase of intangible assets.....	(3,000)	-
Purchase of available-for-sale securities.....	(365,535)	(403,751)
Proceeds from sale of available-for-sale securities.....	339,862	311,412
<b>Net cash used in investing activities.....</b>	<b>(39,210)</b>	<b>(94,616)</b>
<b>Cash flows from financing activities:</b>		
Amount received towards directors purchase plan .....	422	359
<b>Net cash generated from financing activities.....</b>	<b>422</b>	<b>359</b>
Net increase in cash and cash equivalents .....	6,201	(68,168)
Cash and cash equivalents, beginning of the period .....	25,192	94,321
<b>Cash and cash equivalents, end of the period .....</b>	<b>\$ 31,393</b>	<b>\$ 26,153</b>
<b>Supplemental cash flow disclosures:</b>		
Income tax paid.....	\$ 548	\$ 372

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

	<u>Three months ended September 30</u>		<u>Nine months ended September 30</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net Income	\$ 5,133	\$ 4,135	\$ 15,851	\$ 12,570
<b>Less:</b>				
Loss on investment, net	0	0	1,846	0
<b>Non-GAAP Net Income</b>	<u><u>\$ 5,133</u></u>	<u><u>\$ 4,135</u></u>	<u><u>\$ 17,697</u></u>	<u><u>\$ 12,570</u></u>
<b>Non-GAAP diluted net income per share</b>	<u><u>\$ 0.12</u></u>	<u><u>\$ 0.10</u></u>	<u><u>\$ 0.41</u></u>	<u><u>\$ 0.30</u></u>
 Total shares used in non-GAAP diluted net income per share calculations	 <u><u>42,877,889</u></u>	 <u><u>42,329,083</u></u>	 <u><u>42,713,973</u></u>	 <u><u>42,310,217</u></u>

**Non-GAAP Net Income :**

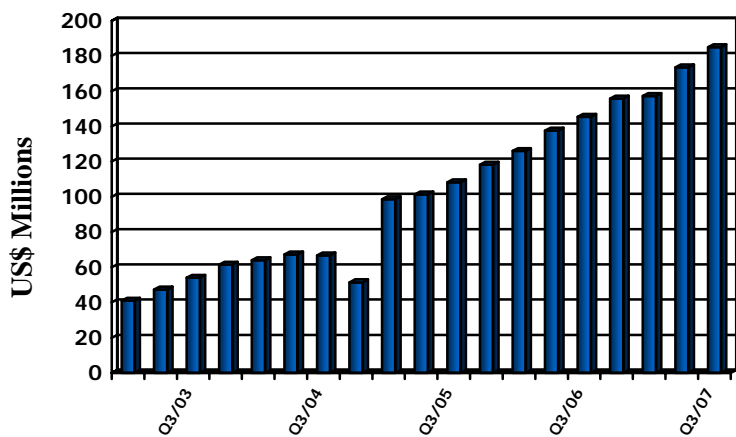
Non-GAAP net income is defined as Net Income adjusted for the following:

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.

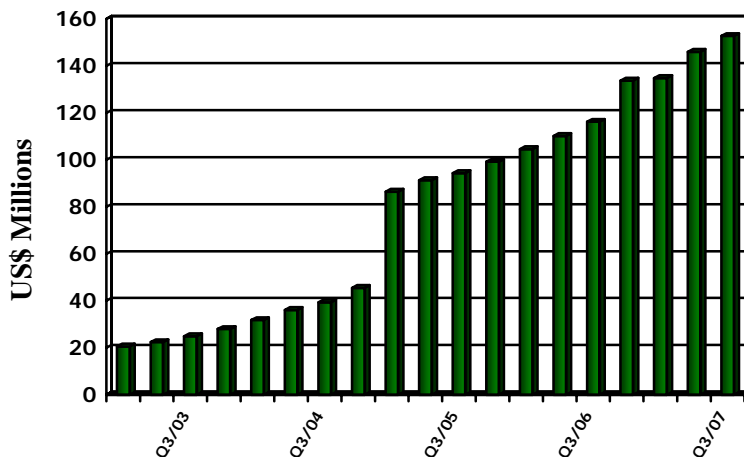
**GLOBAL SOURCES LTD. AND SUBSIDIARIES**  
**GAAP to NON-GAAP RECONCILIATION**  
(In U.S. Dollars Thousands, Except Number of Shares and Per Share Data)

		<b>Three months ended December 31</b>	<b>Year ended December 31</b>
		<b>2006</b>	<b>2006</b>
Net Income		\$ 15,310	\$ 27,880
<b>Less:</b>			
Gain on sale of shares to minority shareholder and interest income thereon		(7,906)	(7,906)
Loss on investment		743	743
<b>Non-GAAP Net Income</b>		<b>\$ 8,147</b>	<b>\$ 20,717</b>
<b>Non-GAAP diluted net income per share</b>		<b>\$ 0.19</b>	<b>\$ 0.49</b>
Total shares used in non-GAAP diluted net income per share calculations		42,375,913	42,326,365
<b>Non-GAAP Net Income :</b>			
Non-GAAP net income is defined as Net Income adjusted for the following:			
(i) A gain of \$7.9 million related to the sale 199 shares of its subsidiary eMedia Asia Ltd. minority shareholder and interest income thereon;			
(ii) An impairment charge of approximately \$743,000 on the company's HC International investment.			

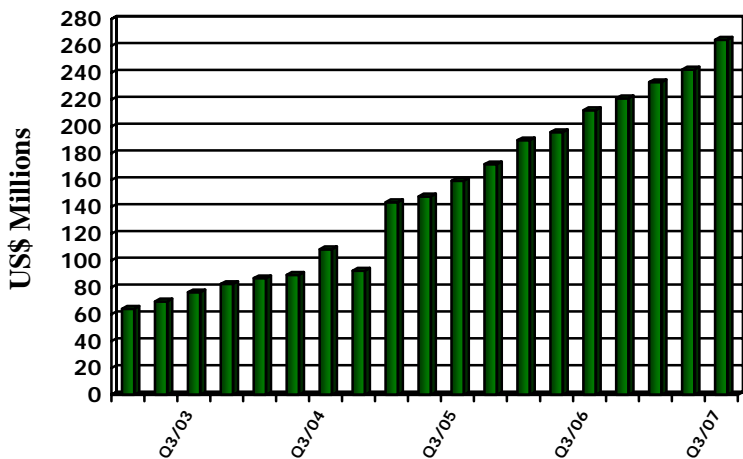
**Total Cash and Securities**



**Total Shareholders' Equity**



**Total Assets**



**Total Deferred Income  
Customer Prepayments**

