

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

	<u>Three months ended December 31,</u>		<u>Year ended December 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
GAAP EPS	\$ 0.14	\$ 0.16	\$ 0.51	\$ 0.46
GAAP Net Income	\$ 7,530	\$ 8,148	\$ 26,430	\$ 23,999
Non-cash stock based compensation expense / (credit) (Note 1)	(420)	3,569	(902)	7,776
Gain on sale of HC shares	-	(2,361) Note 2	-	(2,361) Note 2
Impairment charge for Blue Bamboo	-	3,101 Note 3	-	3,101 Note 3
Loss on investment, net	939 Note 5	-	939 Note 5	1,846 Note 4
Non-GAAP Net Income	\$ 8,049	\$ 12,457	\$ 26,467	\$ 34,361
Non-GAAP diluted net income per share	\$ 0.15	\$ 0.24	\$ 0.51	\$ 0.66
Total shares used in non-GAAP diluted net income per share calculations	<u>52,271,588</u>	<u>51,885,933</u>	<u>52,228,640</u>	<u>51,679,682</u>

Notes:

- (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 Ventures.
- (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.
- (5) Impairment on available-for-sale securities.