

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the nine months ended September 30, 2003

Commission File Number 000-30678

GLOBAL SOURCES LTD.

(Translation of Registrant's Name into English)

Canon's Court
22 Victoria Street
Hamilton, HM 12, Bermuda

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F...X... Form 40-F.....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes..... No....X....

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82- _____

Exhibit 1 Year 2003 / 3rd Quarter Results of Operations of GLOBAL SOURCES LTD.

Exhibit 2 Unaudited Selected Consolidated Financial Information of GLOBAL SOURCES LTD. at September 30, 2003.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLOBAL SOURCES LTD.
(Registrant)

By: /s/ Eddie Heng Teng Hua
Name: Eddie Heng Teng Hua
Title: Director and Chief Financial Officer

Date: November 11, 2003

**YEAR 2003 / 3rd QUARTER
RESULTS OF OPERATIONS
OF GLOBAL SOURCES LTD.**

The following discussion of our financial condition and results of operations should be read in conjunction with the accompanying financial statements.

Background

We are a leading facilitator of global merchandise trade between buyers and suppliers. Our business began in 1971 in Hong Kong when we launched *Asian Sources*, a trade magazine to serve global buyers importing products in volume from Asia. Today, we are one of Asia's leading providers of trade information in print, online, on CD-ROM and face-to-face, meeting the marketing and sourcing needs of our supplier and buyer community.

While our core business facilitates imports from Asia, we also facilitate trade in the opposite direction. In 1985, we launched *Electronics News for China* for this purpose, and today we have several publications, their associated web sites, leading events and conferences that provide information to high-tech design engineers and manufacturers in China and throughout in Asia.

Realizing the importance of e-commerce, we commercially released the first version of *Global Sources Transact* software in 1991. We then became one of the first business-to-business online services by launching *Asian Sources Online* in 1995. In 1999, we changed the name of *Asian Sources Online* to *Global Sources Online*.

Global Sources' products and services allow international buyers to identify suppliers and products, and enable suppliers to market their products to a large number of buyers. Our mission is to create and facilitate global trade between buyers and suppliers by providing the right information, at the right time, in the right format.

Buyers purchase goods from suppliers who market themselves through our online marketplaces, trade magazines, and CD-ROMs, as well as our conferences and exhibitions. We provide information that helps buyers evaluate numerous sourcing options. This increases the likelihood that they can place orders with suppliers that offer them the best terms, conditions and capabilities.

We help suppliers market their products and their capabilities to our community of buyers worldwide. By receiving inquiries from a wide selection of buyers, suppliers have more opportunity to achieve the best possible terms, and to learn which markets have the highest demand and are the most suitable. To support their export marketing needs, we provide suppliers with a content cleansing, normalizing, rationalizing and segmenting service.

We were originally incorporated under the laws of Hong Kong in 1970. We completed a share exchange with a publicly traded company based in Bermuda in financial year 2000, and our shareholders became the majority shareholders of the Bermuda Corporation. As a result of the share exchange, we became incorporated under the laws of Bermuda and changed our name to Global Sources Ltd. in financial year 2000.

Overview

We derive revenue from two principal activities.

Online services — Our primary service is creating and hosting marketing websites that present suppliers' products and company information in a consistent and easily searchable manner on *Global Sources Online*. We also derive revenue from banner advertising fees. We ratably recognize the fees we receive to display a supplier's advertisement or company data over the contractual term, which is generally six to twelve months.

Other media services — We publish trade magazines, which consist primarily of product advertisements from suppliers and our independent editorial reports and product surveys. We publish our core trade magazines monthly, and a host of specialized magazines seasonally. Suppliers pay for advertising in our trade magazines to promote their products and companies. We also derive revenue from buyers that subscribe to our trade publications. We also offer CD-ROM versions of the content on *Global Sources Online*. We recognize revenue ratably over the period during which the advertisement is displayed, generally not exceeding one year. We also host exhibitions and recognize the revenue for these exhibitions at the conclusion of these events.

Our sales costs consist of the commissions and marketing fees we pay to our independent representatives, as well as support fees for processing sales contracts and incentive payments. These representatives sell online services and advertisements in our trade magazines and earn a commission as a percentage of the revenue generated.

Results of Operations

The following table sets forth the results of our operations:

	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:				
Online services	\$ 13,277	\$ 13,010	\$ 38,300	\$ 38,661
Other media services	9,565	9,119	27,221	26,144
Miscellaneous	152	157	509	477
	22,994	22,286	66,030	65,282
Operating Expenses:				
Sales	7,727	7,572	22,155	22,233
Community	2,898	3,072	8,681	9,364
General and administrative	7,041	7,270	21,264	21,382
Online services development.....	1,256	1,400	3,887	4,085
Non-cash compensation expense	421	651	1,213	1,999
Amortization of intangibles/Software development cost..	1,484	983	3,533	2,715
Total Operating Expenses	20,827	20,948	60,733	61,778
Income from Operations	2,167	1,338	5,297	3,504
Net Income	\$ 2,081	\$ 1,042	\$ 5,149	\$ 3,026
Income from operations:				
Online services	1,415	1,550	3,954	4,890
Other media services	604	(299)	885	(1,617)
Miscellaneous	148	87	458	231
Consolidated	\$ 2,167	\$ 1,338	\$ 5,297	\$ 3,504

The following table represents our revenue by geographical areas:

	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Asia	\$ 21,372	\$ 20,868	\$ 61,179	\$ 61,073
United States	1,436	1,188	4,194	3,464
Europe	92	98	343	354
Others	94	132	314	391
Total revenue	\$ 22,994	\$ 22,286	\$ 66,030	\$ 65,282

Consolidated results

Revenues

Our total revenues grew by 3% to \$23.0 million during the three months ended September 30, 2003 from \$22.3 million during the three months ended September 30, 2002. Our online services revenue grew from \$13.0 million during the three months ended September 30, 2002 to \$13.3 million during the three months ended September 30, 2003, a growth of 2%. Our other media services revenue grew from \$9.1 million during the three months ended September 30, 2002 to \$9.6 million during the three months ended September 30, 2003, a growth of 5%.

Total revenues grew to \$66.0 million during the nine months ended September 30, 2003 from \$65.3 million during nine months ended September 30, 2002, a growth of 1%. Our online services revenue declined marginally by \$0.4 million or 1% to \$38.3 million during the nine months ended September 30, 2003, as compared with \$38.7 million during the nine months ended September 30, 2002. Revenue from our other media services grew by \$1.1 million or 4% to \$27.2 million during the nine months ended September 30, 2003 as compared with \$26.1 million during the nine months ended September 30, 2002.

Global Sources has made substantial progress in developing its customer base in China as manufacturing and investment moves into China, which has offset much of the decline in other markets. Revenues from China grew by 22% during the three months ended September 30, 2003 compared to the three months ended September 30, 2002 making China the Company's largest market. China accounts for 44% of total revenues for the three months ended September 30, 2003.

Our goal is to be the leading creator and facilitator of global merchandise trade. Our strategies to achieve and maintain this goal are as follows:

Our primary strategy is to expand in China by facilitating two-way trade. As manufacturers in the rest of Asia adapt to the seismic shifts being caused by China's growth, we have anticipated the needs of buyers and suppliers, and have developed the expertise to address them. For example, our online sourcing capabilities provide buyers with unrivalled access to the Chinese export manufacturing powerhouse. We also serve the importing needs of China's high-tech manufacturers with several publications and associated Websites, such as our popular *Electronic Engineering Times*.

We launched a new line of business, the China Sourcing Fairs. This will offer international buyers direct access to China and other Asian manufacturers. The first fair will be held during the fourth quarter of 2003. Future fairs will be held mainly in the second quarter and fourth quarter of each financial year. We will recognize exhibitor services revenue when the related event occurs.

The other key strategy is to improve the penetration of our services in all of our markets. This includes increasing the adoption and functionality of our electronic catalog solutions, and expanding our business serving Asia's high-tech manufacturers located outside China.

The objective is to steadily increase the usage of our print and online solutions by bringing together a critical mass of buyers and suppliers. By doing this, we believe our services will inherently create value for those users. Then, each new buyer increases the value

to suppliers, and likewise, each new supplier gives buyers more choices. Thus, as our community grows, so does our leadership position.

Operating expenses

Sales. The Company utilizes sales representatives in various territories to promote the Company's products and services. Under these arrangements, the sales representatives are entitled to commissions as well as marketing fees. Commissions expense is recorded when the associated revenue is recognized or when the associated accounts receivable are paid, whichever is earlier, and is included in sales expenses.

The sales representatives, which are mainly corporate entities, handle collections from clients on behalf of the Company. Included in receivables from sales representatives are amounts collected on behalf of the Company as well as cash advances made to the sales representatives. As of June 30, 2002, the board of directors of two of these sales representative companies included a director nominated by the Company to monitor the receivables collected from our clients by these related party sales representatives, and to monitor any changes to the authorized signatories of the depository bank accounts. The nominated directors were employees of the Company. The Company and the nominated directors did not have any interest in the share capital of the sales representatives companies. However as of September 30, 2003 and September 30, 2002, we did not have any nominated directors on the board of directors of any of our sales representative companies.

Sales costs consists of the commissions and marketing fees paid and incentives provided to our independent sales representatives and sales support costs. Sales costs increased from \$7.6 million during the three months ended September 30, 2002 to \$7.7 million during the three months ended September 30, 2003, an increase of 1% due mainly to an increase in revenue in the third quarter of 2003.

Sales costs remained at \$22.2 million during the nine months ended September 30, 2003 and the nine months ended September 30, 2002.

Community. During the third quarter of 2003, we restructured our circulation function to enhance its scope and renamed it as Community development. Certain items of costs for the first half of 2003 and prior periods have been regrouped from General and Administrative costs to Community costs to conform to current quarter presentation.

Community costs consist of the costs incurred for servicing our buyer community and for marketing our solutions to the global buyer community. The community costs also includes costs relating to our trade magazine publishing business, specifically printing, paper, bulk circulation, subscription promotions and customer services costs. Community costs declined from \$3.1 million during the three months ended September 30, 2002 to \$2.9 million during the three months ended September 30, 2003, a decline of 6%. This decline was due mainly to a decline in payroll costs and rental costs of premises.

Community costs declined from \$9.4 million during the nine months ended September 30, 2002 to \$8.7 million during the nine months ended September 30, 2003, a decline of 7% due mainly to a decline in printing charges, payroll costs and rental costs of premises.

General and Administrative. General and administrative costs consist mainly of corporate staff compensation, information technology support services, content management

services, marketing costs, office rental, depreciation, communication and travel costs. General and administrative costs declined from \$7.3 million during the three months ended September 30, 2002 to \$7.0 million during the three months ended September 30, 2003, a decline of 4%, due mainly to a decline in information technology support services costs and fees paid to consultants.

General and administrative costs declined marginally from \$21.4 million during the nine months ended September 30, 2002 to \$21.3 million during the nine months ended September 30, 2003, due to a decline in information technology support services costs.

Online Services Development. Online services development costs consist mainly of payroll, office rental and depreciation costs relating to the enhancements of *Global Sources Online*. Online services development costs to fund the expansion of our online services declined from \$1.4 million during the three months ended September 30, 2002 to \$1.3 million during the three months ended September 30, 2003, a decline of 7% due mainly to a reduction in depreciation costs.

Online services development costs to fund the expansion of our online services declined from \$4.1 million during the nine months ended September 30, 2002 to \$3.9 million during the nine months ended September 30, 2003, a decline of 5%. This decline resulted mainly from a decline in depreciation costs and rental cost of premises.

Non-Cash Compensation Expenses. The Company has issued share awards under several equity compensation plans (ECP) to both employees and team members. The total non-cash compensation expense, resulting from the ECP, recorded by the Company during the three months and the nine months ended September 30, 2003 were \$0.4 million and \$1.2 million respectively compared to \$0.7 million and \$2.0 million recorded during the three months and the nine months ended September 30, 2002 respectively. This decline was a result of the early shares awards that were fully vested in April 2003. The corresponding amounts for the non-cash compensation expenses are credited to Shareholders' equity.

Other Non-Cash Expenses. Other non-cash expenses consist of amortization of software development costs.

Other non-cash expenses during the three months ended September 30, 2003, were \$1.5 million, compared to \$1.0 million for the three months ended September 30, 2002.

Other non-cash expenses during the nine months ended September 30, 2003 were \$3.5 million, compared to \$2.7 million for the nine months ended September 30, 2002.

Income From Operations. The total income from operations during the three months ended September 30, 2003 was \$2.2 million as compared to \$1.3 million during the three months ended September 30, 2002. The increase in total income from operations resulted mainly from the increase in revenue, declines in community costs, general and administrative costs, online services development costs and non-cash compensation expenses, off-set partially by increases in sales costs, and amortization of software development costs. Income from operations for online services declined to \$1.4 million during the three months ended September 30, 2003 from \$1.6 million for the three months ended September 30, 2002, a decline of 13%. The decline was mainly attributable to increase in amortization of software development cost off-set partially by growth in online services revenue.

The total income from operations during the nine months ended September 30, 2003 was \$5.3 million compared to \$3.5 million during the nine months ended September 30, 2002. The improvement was mainly due to growth in revenue, declines in sales costs, community costs, general and administrative costs, online services development costs and non-cash compensation expenses, off-set partially by an increase in amortization of software development costs. Income from operations for online services declined from \$4.9 million during the nine months ended September 30, 2002 to \$4.0 million during the nine months ended September 30, 2003, a decline of 18%. The decline resulted mainly from increase in amortization of software development cost and decline in online services revenue.

Income Taxes. The company and certain of its subsidiaries operate in the Cayman Islands and other jurisdictions where there are no taxes imposed on companies. Certain of the Company's subsidiaries operate in Hong Kong and Singapore and are subject to income taxes in their respective jurisdictions. Also, the Company is subject to withholding taxes for revenues earned in certain other countries.

We reported a tax provision of \$0.1 million during the three months ended September 30, 2003 and the three months ended September 30, 2002.

We reported a tax provision of \$0.3 million during the nine months ended September 30, 2003 and \$0.6 million during the nine months ended September 30, 2002.

Net Income. Net income was \$2.1 million during the three months ended September 30, 2003, compared to a net income of \$1.0 million during the three months ended September 30, 2002. This growth resulted mainly from the increase in revenue, declines in community costs, general and administrative costs, online services development costs and non-cash compensation expenses and increase in foreign exchange gain, off-set partially by increases in sales costs, amortization of software development costs and the current quarter share of profits attributable to a minority shareholder due to profitable performance of a subsidiary.

Net income was \$5.1 million during the nine months ended September 30, 2003, compared to a net income of \$3.0 million during the nine months ended September 30, 2002. The improvement was mainly due to growth in revenue, declines in sales costs, community costs, general and administrative costs, online services development costs, non-cash compensation expenses, income taxes and increases in interest income and foreign exchange gain, off-set partially by increases in amortization of software development costs, the share of profits attributable to a minority shareholder during nine months ended September 30, 2003 due to profitable performance of a subsidiary.

Liquidity and Capital Resources

We financed our activities for nine months ended September 30, 2003 using cash generated from our operations.

Net cash generated from operating activities was \$18.4 million during the nine months ended September 30, 2003 compared to \$15.4 million cash generated from operating activities during the nine months ended September 30, 2002. The primary source of cash from operating activities was collections from our customers received through our independent sales representatives.

Net cash used for investing activities was \$1.5 million during the nine months ended September 30, 2003, which was used principally for capital expenditures for computers,

softwares, software development, leasehold improvements and a motor vehicle. Net cash used for investing activities during nine months ended September 30, 2002 was \$3.0 million, which was used principally for capital expenditure for computers, softwares, software development and leasehold improvements.

Net cash generated from financing activities was \$0.03 million during the nine months ended September 30, 2003, which represents the amount received from directors for the shares subscribed by them in the directors' stock purchase plan. Net cash used for financing activities was \$0.05 million during nine months ended September 30, 2002, which represents amount received from directors for the shares subscribed by them in the directors' stock purchase plan.

We have an existing credit facility with Bank of Bemuda (Isle of Man) Limited, which may be drawn in tranches of a minimum of U.S. \$1.0 million. The lender may request that we secure our borrowings under the credit facility. The credit facility bears interest, payable quarterly in arrears, at the London Inter-Bank Market Rate plus 0.5%. The credit facility can be used for investments, working capital and general corporate purposes. Our principal shareholder, Hung Lay Si Co. Ltd., has guaranteed all of the obligations under the credit facility. On March 7, 2003, the credit facility was renewed for \$10.0 million, for one year subject to the same terms and conditions as applicable to the original facility. We did not draw on that credit facility during the nine months ended September 30, 2003, and we have no bank debt as at September 30, 2003.

We continuously monitor collections from our customers and maintain an adequate allowance for doubtful accounts. While credit losses have historically been within our expectations and the allowances established, if the bad debts significantly exceed our provisions, additional allowances may be required.

Advance payments received from customers were \$25.9 million as of September 30, 2003, compared to \$18.3 million as at December 31, 2002, improving our liquidity. We anticipate that cash on hand, and cash generated from operations will be adequate to satisfy our working capital, capital expenditure requirements and cash commitments based on the current levels of our operations. We can also draw from the credit facility mentioned above as and when required.

Recent Accounting Pronouncements

In June 2001, FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The purpose of this statement is to develop consistent accounting for asset retirement obligations and related costs in the financial statements and provides more information about future cash outflows, leverage and liquidity regarding retirement obligations and the gross investment in long-lived assets. We adopted SFAS No. 143 effective January 1, 2003 and believe that the adoption of this standard did not have a material impact on the Company's financial statements of position, results of operations, or cash flows.

In December 2002, FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure," which requires additional disclosures in interim and annual financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The disclosure provisions of SFAS No. 148 are effective for fiscal years ending after December 15, 2002.

In January 2003, FASB issued FIN No. 46, "Consolidation of Variable Interest Entities". FIN 46 requires a beneficiary to consolidate a variable interest entity if its is the primary beneficiary of that entity. The primary beneficiary is defined as having a variable interest in a variable interest entity that will absorb a majority of the entity's expected losses if they occur, receives a majority of the entity's expected residual returns if they occur, or both. Pursuant to the deferral of the implementation date of FIN 46, the Company must complete its evaluation of variable interest entities that existed prior to February 1, 2003, and the consolidation of those of which the Company is the primary beneficiary for financial statement issued for the first period ending after December 15, 2003. We are still in the process of determining the full impact, if any, the adoption of FIN 46 will have on the Company's financial statements of position, results of operations, or cash flows.

Qualitative and Quantitative Disclosures about Market Risk

We operate internationally and foreign exchange rate fluctuations may have a material impact on our results of operations. Historically, currency fluctuations have been minimal on a year to year basis in the currencies of the countries where we have operations. As a result, foreign exchange gains or losses in revenues and accounts receivable have been offset by corresponding foreign exchange losses or gains arising from expenses. However, during the Asian economic crisis of 1997 to 1998, both advertising sales and the value of Asian currencies declined, which caused a significant decline in revenues that was not fully offset by lower expense levels in Asian operations.

This decline in revenues occurred due to contracts being denominated and priced in foreign currencies prior to devaluations in Asian currencies. The conversion of these contract proceeds to U.S. dollars resulted in losses and reflects the foreign exchange risk assumed by us between contract signing and the conversion of cash into U.S. dollars. We believe this risk is mitigated because historically a majority (ranging between 55% to 60%) of our revenues are denominated in U.S. dollars or are received in the Hong Kong currency which is currently pegged to the U.S. dollar. Correspondingly, a majority (approximately 85%) of our expenses are denominated in Asian currencies. To the extent significant currency fluctuations occur in the New Taiwan dollar, the Chinese Renminbi or other Asian currencies, or if the Hong Kong dollar is no longer pegged to the U.S. dollar, our revenues and expenses fluctuate in tandem thus reducing the net impact on our profits.

During the nine months ended September 30, 2003 and the nine months ended September 30, 2002, we have not engaged in foreign currency hedging activities.

In the first nine months of 2003 and the first nine months of 2002, the Company derived more than 90% of its revenue from customers in the Asia-Pacific region. The Company expects that a majority of its future revenue will continue to be generated from customers in this region. Future political or economic instability in the Asia-Pacific region could negatively impact the business.

Forward-looking Statements Disclaimer

Except for any historical information contained herein, the matters discussed in this report contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to our financial condition, results of operations and business. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These

forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “project,” “plan,” “predicts,” “strategy,” “forecast,” “will” and similar terms and phrases, including references to assumptions.

These forward-looking statements include current trend information, projections for deliveries, business growth strategies and plans, projected capital expenditure, expansion plans and liquidity. These forward looking statements involve risks and uncertainties that may cause our actual future activities and results of operations to be materially different from those suggested or described in this report on Form 6-K. These risks include but are not limited to: product demand; customer satisfaction and quality issues; labor disputes; competition, changes in technology and the marketplace; our ability to achieve and execute internal business plans; the success of our business partnerships and alliances; worldwide political instability and economic growth; changes in regulatory and tax legislation in the countries in which we operate; and the impact of any weakness in the currencies in Asia in which we operate.

In addition to the foregoing factors, certain other risks and uncertainties, which could cause actual results to differ materially from those expected, estimated or projected can be found in the section “Risk Factors” in our Annual Report on Form 20-F filed with the United States Securities and Exchange Commission.

If one or more of these risks or uncertainties materializes, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Given these uncertainties, users of the information included in this report on Form 6-K, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements. We do not intend to update the forward-looking statements included in this report.

EXHIBIT 2

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

	At September 30 2003 (Unaudited)	At December 31 2002
ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 54,156	\$ 37,208
Accounts receivable, net.....	4,525	4,169
Receivables from sales representatives.....	4,065	2,932
Inventory of paper.....	524	545
Prepaid expenses and other current assets.....	1,708	1,147
Total Current Assets.....	64,978	46,001
Property and equipment, net.....	8,916	14,110
Long term investments	100	100
Bonds held to maturity, at amortized cost	1,230	1,358
Other assets.....	1,032	1,081
Total Assets.....	\$ 76,256	\$ 62,650
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable.....	\$ 3,248	\$ 4,284
Deferred income and customer prepayments.....	25,881	18,259
Accrued liabilities.....	5,696	5,361
Income taxes payable.....	696	368
Total Current Liabilities.....	35,521	28,272
Liabilities for incentive and bonus plans.....	912	1,025
Amount due to parent company	11,404	11,404
Minority interest	3,291	2,823
Deferred tax liability	213	604
Total Liabilities.....	51,341	44,128
Shareholders' equity:		
Ordinary shares, US\$0.01 par value; 50,000,000 shares authorized; 26,313,949 (2002: 26,308,949) shares issued and outstanding.....	263	263
Additional paid in capital	82,163	80,486
Retained deficit	(52,531)	(57,680)
Less : Unearned compensation	(4,980)	(4,547)
Total shareholders' equity.....	24,915	18,522
Total liabilities and shareholders' equity.....	\$ 76,256	\$ 62,650

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		Nine months ended	
	September 30		September 30	
	2003	2002	2003	2002
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:				
Online services	\$ 13,277	\$ 13,010	\$ 38,300	\$ 38,661
Other media services	9,565	9,119	27,221	26,144
Miscellaneous	152	157	509	477
	22,994	22,286	66,030	65,282
Operating Expenses:				
Sales	7,727	7,572	22,155	22,233
Community	2,898	3,072	8,681	9,364
General and administrative	7,041	7,270	21,264	21,382
Online services development.....	1,256	1,400	3,887	4,085
Non-cash compensation expense (Note 1)	421	651	1,213	1,999
Amortization of intangibles/Software development cost..	1,484	983	3,533	2,715
Total Operating Expenses	20,827	20,948	60,733	61,778
Income from Operations	2,167	1,338	5,297	3,504
Interest income.....	104	134	545	230
Foreign exchange gains (losses), net.....	111	(229)	101	57
Income before Income Taxes.....	2,382	1,243	5,943	3,791
Income Tax Provision.....	(114)	(120)	(325)	(597)
Net Income before minority interest	\$ 2,268	\$ 1,123	\$ 5,618	\$ 3,194
Minority interest.....	\$ (187)	\$ (81)	\$ (469)	\$ (168)
Net Income	\$ 2,081	\$ 1,042	\$ 5,149	\$ 3,026
Retained deficit brought forward	-	-	(57,680)	(61,987)
Retained deficit carried forward	-	-	(52,531)	(58,961)
Basic net income per share	\$ 0.08	\$ 0.04	\$ 0.20	\$ 0.12
Shares used in basic net income per share calculations	26,313,949	26,308,949	26,312,887	26,307,887
Diluted net income per share	\$ 0.08	\$ 0.04	\$ 0.20	\$ 0.12
Shares used in diluted net income per share calculations	26,367,231	26,308,949	26,337,460	26,309,672

Note: 1. Reflects the non-cash compensation expenses associated with the employee equity compensation plans. Non-cash compensation represents the following categories of expenses:

	Three months ended		Nine months ended	
	September 30		September 30	
	2003	2002	2003	2002
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	\$ 135	\$ 115	\$ 284	\$ 394
Community.....	52	61	78	217
General and administrative	159	358	608	961
Online services development	75	117	243	427
	\$ 421	\$ 651	\$ 1,213	\$ 1,999

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	
	2003	2002
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net income	\$ 5,149	\$ 3,026
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,852	6,695
Profit on sale of property and equipment	(6)	-
Accretion of U.S. Treasury strips zero % coupons	(57)	(77)
Bad debt expense.....	184	587
Non-cash compensation expense	1,213	1,999
Income attributable to minority shareholder	469	168
Property and equipment written off	10	152
	13,814	12,550
Changes in assets and liabilities:		
Accounts receivables.....	(540)	1,214
Receivables from sales representatives.....	(1,133)	(2,532)
Receivables from related party sales representatives	-	2,900
Inventory of paper.....	21	331
Prepaid expenses and other current assets.....	(561)	(93)
Long term assets.....	49	48
Accounts payable.....	(1,036)	(715)
Accrued liabilities and liabilities for incentive and bonus plans.....	222	(210)
Deferred income and customer prepayments.....	7,622	1,614
Tax liability	(63)	276
Net cash provided by operating activities.....	18,395	15,383
Cash flows from investing activities:		
Purchase of property and equipment.....	(1,670)	(3,123)
Proceeds from sale of property and equipment.....	8	-
Proceeds from matured bonds	185	160
Net cash used for investing activities.....	(1,477)	(2,963)
Cash flows from financing activities:		
Amount received towards directors stock option plan	30	50
Net cash generated from financing activities.....	30	50
Net increase in cash and cash equivalents.....	16,948	12,470
Cash and cash equivalents, beginning of the period.....	37,208	20,236
Cash and cash equivalents, end of the period	54,156	32,706
Supplemental cash flow disclosures:		
Income tax paid.....	\$ 388	\$ 321
Interest paid.....	-	-