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BONSO ELECTRONICS INTERNATIONAL INC
Form 6-K
September 01, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

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

For September 1, 2005

BONSO ELECTRONICS INTERNATIONAL INC.

(Translation of Registrant's name into English)

Unit 1106-1110, 11/F., Star House 3 Salisbury Road,
Tsimshatsui Kowloon, Hong Kong

(Address of principal executive offices)

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

Form 20-F

Form 40-F

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

Yes

No

Bonso Electronics Reports Mixed Results for the First Quarter

HONG KONG, Aug. 22 /Xinhua-PRNewswire-FirstCall/ -- Bonso Electronics
International Inc, (Nasdaq: BNSO - News) a designer and manufacturer of sensor
based and communications products, today announced financial results for the
first quarter ended 30 June 2005.

The company reported sales of \$18,150,000 and net earnings of \$647,000 or 12
cents per share (diluted) for the three months period ended 30 June 2005. This

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represents an increase of 0.6 % in sales and a decrease of 6.6 % in net income as compared to sales of \$18,041,000 and net income of \$693,000 or 12 cents per share (diluted) posted during the same period last year.

Sensor based product sales surpassed last year's volume but telecommunication product sales were down approximately 2% from last year's first quarter. We anticipate that telecommunications product sales will continue to be soft in the short-term future.

Our gross profit margin reduced 0.3 percent based on increases in material and labor costs and operation expense levels increased approximately 4 percent primarily as a result of expansion of the branded sales operations in North America. The result was that net income dropped approximately \$46,000 from last year's first quarter.

George O'Leary, President and Chief Executive Officer said "Going forward, our primary focus will be on doing more for our existing customers and to show greater initiative in proposing solutions to new potential customers in our niche markets of sensor based and telecommunication products. We have developed several new sensor based products that are being well received by new potential OEM customers and have also expanded our branded product offerings in both North America and Europe "We intend to continue to make efforts to continue the progress we have made in strengthening our Balance Sheet. Our cash position at the end of the quarter was \$9.7 million, or approximately \$1.74 per share".

On July 18, we announced a \$0.10 per common share cash dividend. Based on the closing price on July 15 2005 (\$5.67 per share), the forthcoming dividend would represent an annual yield of approximately 1.8 %. The Board of Directors feels this is an appropriate reward to loyal shareholders. I am pleased with our cash position and we believe our financial resources continue to permit the payment of dividends while meeting our other financial requirements.

Mr. O'Leary further stated "As our first quarter results have demonstrated, we are committed to keeping one eye on the future and one eye on the bottom line; as we continue to pursue planned profitable growth".

About Bonso Electronics

Headquartered in Hong Kong, Bonso Electronics designs, develops, manufactures, assembles and markets a comprehensive line of telecommunications products, electronic scales and weighing instruments and health care products. Bonso products are manufactured in the People's Republic of China on behalf of customers primarily located in North America and Europe. Company services include product design and prototyping, production tooling, procurement of components, total quality management, and just-in-time delivery. Bonso also independently designs and develops electronic products for private label markets. For further information, visit the company's web site at www.bonso.com.

The statements contained in the press release which are not historical facts are forward-looking statements that involve certain risks and uncertainties including, but not limited to, risks associated with the uncertainty of future financial results, additional financing requirements, development of new products, government approval processes, the impact of competitive products or pricing, technological changes, the effect of economic conditions and other uncertainties detailed in the company's filings with the Securities and Exchange Commission.

For more information please contact:

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BONSO ELECTRONICS INTERNATIONAL INC.
 CONSOLIDATED INCOME STATEMENT
 (In Thousands of U.S. Dollars)
 Unaudited

| | Three months ended June 30 | |
|--|----------------------------|-----------|
| | 2005 | 2004 |
| | ----- | ----- |
| Net sales | 18,150 | 18,041 |
| Cost of sales | (14,540) | (14,421) |
| | ----- | ----- |
| Gross margin | 3,610 | 3,620 |
| Selling expenses | 615 | 699 |
| Salaries and related costs | 1,368 | 1,252 |
| Research and development expenses | 108 | 90 |
| Administration and general expenses | 740 | 673 |
| Amortization of brand name and goodwill | 50 | 53 |
| | ----- | ----- |
| Income from operations | 728 | 854 |
| Interest Income | 55 | 43 |
| Interest Expenses | (137) | (207) |
| Foreign exchange gains/(losses) | (37) | (51) |
| Other income | 83 | 40 |
| | ----- | ----- |
| Income before income taxes & Minority Interest | | |
| Interest | 692 | 679 |
| Income tax benefit/(expense) | (45) | (10) |
| Net Income before Minority Interest | 647 | 669 |
| Minority Interest | -- | 24 |
| Net income | 647 | 693 |
| | | |
| Earnings per share | | |
| Diluted | 0.12 | 0.12 |
| Adjusted weighted average shares | 5,577,639 | 5,825,287 |

BONSO ELECTRONICS INTERNATIONAL INC.
 CONSOLIDATED BALANCE SHEET

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(In U.S. Dollars)
Unaudited

| | June 30 2005 | March 31 2005 |
|---|-----------------|------------------|
| | ----- | ----- |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 9,731,619 | 9,707,588 |
| Restricted cash deposits | 4,785 | 4,848 |
| Trade receivables, net | 12,732,914 | 10,585,968 |
| Inventories, net | 14,214,064 | 11,402,239 |
| Tax recoverable | 578,941 | 486,618 |
| Deferred income tax assets - current | 52,057 | 52,057 |
| Other receivables, deposits and prepayments | 1,230,610 | 1,450,322 |
| | ----- | ----- |
| Total current assets | 38,544,990 | 33,689,640 |
| | ----- | ----- |
| Deposits | 72,789 | 72,789 |
| Long term investment | 500,000 | 500,000 |
| Deferred income tax assets - non current | 46,797 | 46,849 |
| Goodwill | 1,100,962 | 1,100,962 |
| Brand name, net | 2,147,392 | 2,197,392 |
| Other intangible, net | 539,751 | 543,138 |
| Net property plant & equipment | 13,539,269 | 14,311,986 |
| | ----- | ----- |
| Total assets | 56,491,950 | 52,462,756 |
| | ----- | ----- |
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Bank overdraft | 236,619 | 281,085 |
| Notes payable | 3,898,921 | 3,744,726 |
| Accounts payable | 10,712,557 | 6,938,578 |
| Accrued charges and deposits | 1,972,042 | 1,978,222 |
| Short-term loans | 4,643,619 | 4,742,685 |
| Current portion of long-term debt and capital lease obligations | 425,748 | 425,748 |
| | ----- | ----- |
| Total current liabilities | 21,889,506 | 18,111,044 |
| | ----- | ----- |
| Long-term debt and capital lease obligations net of current maturities | 139,323 | 375,874 |
| | ----- | ----- |
| Deferred income tax | 43,967 | 43,856 |
| | ----- | ----- |
| Shareholders' equity | | |
| Common stock par value \$0.003 per share | | |
| - authorized shares - 23,333,334 | | |
| - issued and outstanding shares: | | |
| 2005-5,577,639; | | |
| 30 June 2005-5,577,639 | 16,729 | 16,729 |
| Additional paid-in capital | 21,764,788 | 21,764,788 |
| Retained earnings | 11,954,391 | 11,307,642 |

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| | | |
|--|------------|------------|
| Accumulated other comprehensive income | 683,246 | 842,823 |
| | ----- | ----- |
| | 34,419,154 | 33,931,982 |
| | ----- | ----- |
| Total liabilities and shareholders' equity | 56,491,950 | 52,462,756 |

SIGNATURE

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.

BONSO ELECTRONICS INTERNATIONAL, INC.

By: /s/ George O'Leary

George O'Leary, President and
Chief Executive Officer