

BONSO ELECTRONICS INTERNATIONAL INC
Form 6-K
July 12, 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 July 12, 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 X

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 X

BONSO ELECTRONICS REPORTS EARNINGS UP 679% FOR THE QUARTER
AND 48% FOR THE YEAR

Hong Kong, July 11, 2005/ - - Bonso Electronics International, Inc (NASDAQ:
BNSO) today reported net income of \$1,270,000 or \$0.21 per share (diluted) on
net sales of \$13,861,000 for the fourth fiscal quarter ended March 31, 2005.
This represented an increase of 679% in net income and decrease of 17% in net
sales as compared to \$163,000 or \$0.03 per share (diluted) on net sales of
\$16,624,000 posted during the same period last year.

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Net income for the fiscal year ended March 31, 2005 increased 48% to \$3,350,000 or \$0.55 per share (diluted) as compared to \$2,268,000 or \$0.37 per share (diluted) posted during the same period last year.

Net sales for the year ended March 31, 2005 decreased 7.2% to \$69,602,000 from net sales of \$74,964,000 for the year ended March 31, 2004.

Mr. George O'Leary, President and CEO stated: "We accomplished these results, over the last year, at a time when the price of raw materials and skilled labor costs were increasing. We were able to offset some of these material cost increases by initiating design and manufacturing process changes. Further contributing to the increase in net income was a reduction in administration and general expenses, specifically legal and professional fees as a result of the resolution of all pending legal proceedings."

"While our sensor based product sales increased approximately 2% over last year, it was not enough to offset the reduction in sales of approximately 25% in our telecommunications products business. We are cautiously optimistic that sales will continue to grow in the sensor based product area, as they have all year, as a result of increases from our current customers, new customers and the apparent good reaction to new product introductions we have made. We believe that telecommunications product sales will continue to be soft in the near term due to seasonality associated with telecommunications products, but we anticipate resurgence as our OEM customers release new offerings".

Mr. George O'Leary further said: "Throughout fiscal 2005, we have been enjoying the benefits of generating positive cash flow from operations. Our cash position at the end of the year is \$9.7 million (\$1.74 per share). We are continuing to invest in expansion of our plant and equipment to support future growth. We believe that we have many opportunities to exploit, and believe we will have the financial resources to implement the initiatives we choose. With minimum long-term debt and a strong balance sheet, we intend to continue to invest in the future of Bonso through the development of new products and technologies, facilities and capital equipment. We believe we have growth potential in both the sensor based and telecommunications markets we serve. Business challenges notwithstanding, we remain confident in the overall strategy and growth plan we are implementing."

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. Bonso products are manufactured in the People's Republic of China with 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. For further information, visit the company's website at <http://www.bonso.com>.

The statements contained in this press release which are not historical fact are forward looking statements that involve certain risks and uncertainties including, but not limited to risks associated with the uncertainty of future financial results, seasonality of scales of certain products, additional financing requirements, development of new products, government approval

processes, the impact of competitive products or pricing, technological changes, currency fluctuations, estimates of market growth, the effect of economic conditions and other uncertainties detailed in the company's filings with the Securities and Exchange Commission.

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

| | Three months ended March 31 | | Twelve months ended March 31 | |
|---|--------------------------------|----------------------------|---------------------------------|--------------------------|
| | 2005 ----- Unaudited | 2004 ----- Unaudited | 2005 ----- Unaudited | 2004 ----- Audited |
| Net sales | 13,861 | 16,624 | 69,602 | 74,964 |
| Cost of sales | -8,562 | -10,996 | -53,138 | -57,481 |
| | ----- | ----- | ----- | ----- |
| Gross margin | 5,299 | 5,628 | 16,464 | 17,483 |
| Selling expenses | 603 | 1,005 | 2,595 | 3,122 |
| Salaries and related costs | 1,400 | 1,087 | 5,216 | 5,150 |
| Research and development expenses | 378 | 400 | 710 | 740 |
| Administration and general expenses | 1,611 | 2,658 | 4,079 | 5,439 |
| Amortization of Brand Name | 50 | 51 | 200 | 200 |
| | ----- | ----- | ----- | ----- |
| Income from operations | 1,257 | 427 | 3,664 | 2,832 |
| Interest expense and interest income | 64 | 109 | -336 | -443 |
| Other income | 78 | -45 | 372 | 225 |
| Foreign exchange (loss)/gain | -39 | -30 | -98 | 15 |
| | ----- | ----- | ----- | ----- |
| Income before income taxes and minority interest | 1,360 | 461 | 3,602 | 2,629 |
| Income tax benefit | -51 | -384 | -266 | -402 |
| | ----- | ----- | ----- | ----- |
| Net income before minority interest | 1,309 | 77 | 3,336 | 2,227 |
| Minority interests | -39 | 86 | 14 | 41 |
| | ----- | ----- | ----- | ----- |
| Net income | 1,270 | 163 | 3,350 | 2,268 |

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| | ===== | ===== | ===== | ===== |
|-------------------------------------|-----------|-----------|-----------|-----------|
| Earnings per share | | | | |
| Basic | 0.23 | 0.03 | 0.59 | 0.40 |
| Diluted | 0.21 | 0.03 | 0.55 | 0.37 |
| Weighted average shares Outstanding | 6,054,303 | 6,060,264 | 6,054,303 | 6,060,264 |

BONSO ELECTRONICS INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEET
(In U.S. Dollars)

| | March 31 ----- 2005 ---- (Unaudited) | March 31 ----- 2004 ---- (Audited) |
|---|--|--|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 9,707,588 | 10,815,279 |
| Restricted cash deposits | 4,848 | 4,337 |
| Trade receivables, net | 10,735,968 | 10,389,769 |
| Inventories | 11,402,239 | 10,881,932 |
| Tax recoverable | 486,618 | 58,464 |
| Deferred income tax assets - current | 52,057 | 52,057 |
| Other receivables, deposits and prepayments | 1,428,784 | 888,658 |
| Total current assets | 33,818,102 | 33,090,496 |
| Deposits | 72,789 | 617,056 |
| Long term investment | 500,000 | 0 |
| Deferred income tax assets - non current | 46,849 | 15,178 |
| Goodwill | 1,100,962 | 1,100,962 |
| Brand name, net | 2,197,392 | 2,397,392 |
| Other intangible, net | 543,138 | 0 |
| Property, plant and equipment, net | 14,311,986 | 16,377,361 |

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| | | |
|---|---------------------|------------------------------|
| Total assets | 52,591,218 ===== | 53,598,445 ===== |
| | | |
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Bank overdraft | | 281,085 156,429 |
| Notes payable | | 3,465,591 3,244,194 |
| Accounts payable | | 7,196,175 8,280,039 |
| Income taxes payable | | -- 279,485 |
| Accrued charges and deposits | | 1,978,222 2,951,797 |
| Short-term loans | | 4,742,685 4,599,652 |
| Current portion of long-term debt and capital lease obligations | | 425,747 678,397 |
| | | ----- |
| Total current liabilities | | 18,089,505 20,189,993 |
| | | ----- |
| Long-term debt and capital lease obligations, net of current maturities | | 525,875 1,158,081 |
| Deferred income taxes | | 43,856 39,718 |
| Minority Interests | | -- 14,203 |
| Redeemable Common Stock | | |
| Redeemable Common Stock par value \$0.003 per share | | -- 1,445,808 |
| - issued and outstanding shares: 2004-180,726 ; 2005 - 0 | | |
| Shareholders' equity | | |
| Preferred stock par value \$0.01 per share | | |
| - authorized shares - 10,000,000 | | |
| - issued and outstanding shares : 2004 - 0; 2005-0 | | |
| Common stock par value \$0.003 per share | | 16,729 16,579 |
| - authorized shares - 23,333,334 | | |
| - issued and outstanding shares: 2004-5,527,639; 2005-5,577,639 | | |
| Additional paid-in capital | | 21,764,788 21,665,801 |

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| | | |
|--|------------|------------|
| Retained earnings | 11,307,642 | 8,515,793 |
| Accumulated other comprehensive income | 842,823 | 552,469 |
| | ----- | ----- |
| | 33,931,982 | 30,750,642 |
| | ----- | ----- |
| Total liabilities and shareholders' equity | 52,591,218 | 53,598,445 |
| | ----- | ----- |

For more information about Bonso, please contact

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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.
(Registrant)

Date: July 12, 2005

By: /s/ George O'Leary

George O'Leary, President
and Chief Executive Officer