

Edgar Filing: BONSO ELECTRONICS INTERNATIONAL INC - Form 6-K

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
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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
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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
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Income before income taxes and minority interest	1,360	461	3,602	2,629
Income tax benefit	-51	-384	-266	-402
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Net income before minority interest	1,309	77	3,336	2,227
Minority interests	-39	86	14	41
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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
Notes payable		3,465,591
Accounts payable		7,196,175
Income taxes payable		--
Accrued charges and deposits		1,978,222
Short-term loans		4,742,685
Current portion of long-term debt and capital lease obligations		425,747

Total current liabilities		18,089,505

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
- 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
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	33,931,982	30,750,642
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Total liabilities and shareholders' equity	52,591,218	53,598,445
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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