BONSO ELECTRONICS INTERNATIONAL INC.
Unit 1404, 14/F, Cheuk Nang Centre
9 Hillwood Road, Tsimshatsui
Kowloon, Hong Kong
Tel: (852) 2605-5822
Website: www.bonso.com
Email: albert@bonso.com

Quarterly Report

For the three months ending June 30, 2026 (the "Reporting Period")

Outstanding Shares
The number of shares outstanding of our Common Stock was:

4,857,187 as of June 30, 2026 _ *(Current Reporting Period Date or More Recent Date)*

4,857,187 as of March 31, 2026 _ *(Most Recent Completed Fiscal Year End)*

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[5] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

[5] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Bonso Electronics International Inc. (the “Company” or “we”) was incorporated on August 8, 1988 under the laws of the British Virgin Islands under the name “Golden Virtue Limited”. On September 14, 1988, we changed our name to Bonso Electronics International Inc.

Current State and Date of Incorporation or Registration: Tortola, British Virgin Islands. August 8, 1988
Standing in this jurisdiction: (e.g. active, default, inactive): active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

Not applicable

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer’s principal executive office:

Unit 1404, 14/F, Cheuk Nang Centre, 9 Hillwood Road, Tsimshatsui, Kowloon, Hong Kong

Address of the issuer’s principal place of business:
☒ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Computershare U.S
Phone: 1 800-522-6645
Email:
Address: 150 Royall Street, Canton Massachusetts 02021 USA

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	BNSOF	
Exact title and class of securities outstanding:	common stock	
CUSIP:	846546	
Par or stated value:	$0.003	
Total shares authorized:	23,333,334	as of date: June 30, 2026
Total shares outstanding:	4,857,187	as of date: June 30, 2026
Total number of shareholders of record:	114	as of date: June 30, 2026

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Not applicable

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	preferred stock	
Par or stated value:	$0.01	
Total shares authorized:	10,000,000	as of date: June 30, 2026
Total shares outstanding:	0	as of date: June 30, 2026
Total number of shareholders of record:	0	as of date: June 30, 2026

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Not applicable

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Holders of our common stock are entitled to one vote for each whole share on all matters to be voted upon by shareholders, including the election of directors. Holders of our common stock do not have cumulative voting rights in the election of directors. All of our common shares are equal to each other with respect to liquidation and dividend rights. Holders of our common shares are entitled to receive dividends if and when declared by our Board of Directors out of funds legally available therefor under British Virgin Islands law. In the event of our liquidation, all assets available for distribution to the holders of our common stock are distributable among them according to their respective holdings. Holders of our common stock have no preemptive rights to purchase any additional unissued common shares.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Not applicable

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities ***in the past two completed fiscal years and any subsequent interim period****.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:
No: ☒ Yes: ☐ (If yes, you must complete the table below)

Shares Outstanding Opening Balance: Date ______ Common: ______ Preferred: ______			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to.** *****You must disclose the control person(s) for any entities listed.**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
______	______	______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______	______	______
Shares Outstanding on Date of This Report: Ending Balance: Date ______ Common: ______ Preferred: ______									

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

[☒] Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance ($)	Outstanding Balance ($) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion[6]	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
Total Outstanding Balance:				Total Shares:				

Any additional material details, including footnotes to the table are below:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Bonso Electronics International Inc. designs, develops, manufactures, assembles, and markets a comprehensive line of electronic scales, weighing instruments and pet electronic products. Bonso products are manufactured in the People's Republic of China for 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. Bonso rents factory space and equipment to third parties.

[6] The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

B. List any subsidiaries, parent company, or affiliated companies.

The Company has three wholly-owned direct subsidiaries as follows:

(i) Bonso Electronics Limited, incorporated in Hong Kong ("BEL"), which has two wholly-owned subsidiaries:

(a) Bonso Investment Ltd., incorporated in Hong Kong ("BIL"), and

(b) Bonso Electronics (Shenzhen) Company Limited, incorporated in the PRC ("BESCL");

(ii) Bonso Advanced Technology Limited, incorporated in Hong Kong ("BATL"), which has two wholly-owned subsidiaries:

(a) Bonso Advanced Technology (Xinxing) Company Limited, incorporated in the PRC ("BATXXCL"), and

(b) Bonso Technology (Shenzhen) Company Limited, incorporated in the PRC ("BTL");

(iii) Modus Enterprise International Inc., incorporated in the British Virgin Islands ("MEII").

C. Describe the issuers' principal products or services.

Bonso Electronics International Inc. designs, develops, manufactures, assembles, and markets a comprehensive line of electronic scales, weighing instruments and pet electronic products. Bonso also rents factory space and equipment to third parties.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Hong Kong. Bonso owns a residential property in Hong Kong, which is located at Savanna Garden, House No. 27, Tai Po, New Territories, Hong Kong. The house consists of approximately 2,475 square feet plus a 177 square foot terrace and a 2,308 square foot garden area. The use of House No. 27 is provided as quarters to Mr. Anthony So, the Chairman of the Company.

Shenzhen, China. Bonso owns a factory in Shenzhen, China, which is located in the DaYang Synthetical Development District, close to the border between Hong Kong and China. This factory consists of one factory building, which contains approximately 186,000 square feet, two workers' dormitories, containing approximately 103,000 square feet, a canteen and recreation center of approximately 26,000 square feet, an office building consisting of approximately 26,000 square feet and two staff quarters for supervisory employees, consisting of approximately 34,000 square feet, for a total of approximately 375,000 square feet. Parrt of the Shenzhen factory has been leased to a third party.

Bonso owns a residential unit in Shenzhen, which is located at Feng Tang Road in Fu Hai, Bao An, Shenzhen. This unit, consisting of 1,354 square feet, is located near our existing Shenzhen factory and is utilized as quarters for the senior officers of the Company during their visits and monitoring of the redevelopment of the Shenzhen factory.

Yunfu, Guangdong, China. Bonso owns a factory located in Xinxing High-Tech Industrial Estate, Xinxing, Yunfu City, Guangdong, China. This factory land area is approximately 1,185,000 square feet, with six factory buildings consisting of approximately 523,000 square feet, three dormitories consisting of an aggregate of approximately

86,000 square feet, a canteen consisting of 15,000 square feet and an office building consisting of 50,000 square feet. Bonso conducts its manufacturing operations at this facility and leases approximately 154,000 square feet of the facility, plus equipment and machinery, to a total of seven third party lessees for an aggregate monthly rental of approximately RMB176,000 (US$26,000).

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.
If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Individual Name (First, Last) **or Entity Name** (Include names of control person(s) if a corporate entity)	**Position/Company Affiliation** (ex: CEO, ≥ 5% beneficial owner)	**City and State** (Include Country if outside U.S.)	**Number of Shares Owned** (List common, preferred, warrants and options separately)	**Class of Shares Owned**	**Percentage of Class of Shares Owned** (undiluted)
Anthony Hung Gun So	Director	Hong Kong	2,431,770	Common stock	50.1%
Andrew Chun Bong So	Director	Hong Kong	473,540	Common stock	9.8%
Albert Chun Wah So	Director	Hong Kong	269,459	Common stock	5.6%
Woo Ping Fok	Independent Director	Hong Kong	91,507	Common stock	1.9%
Henry F. Schlueter	Independent Director	Denver, Colorado	9,567	Common stock	0.2%

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.
Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name:	Schlueter & Associates, P.C.
Address 1:	5655 South Yosemite Street, Suite 350
Address 2:	Greenwood Village CO 80111 USA
Phone:	303-292-3883
Email:	hfs@schlueterintl.com

Accountant or Auditor

Name:	
Firm:	
Address 1:	

Address 2:
Phone:
Email:

Investor Relations

Name:
Firm:
Address 1:
Address 2:
Phone:
Email:

All other means of Investor Communication:

X (Twitter):
Discord:
LinkedIn
Facebook:
[Other]

Other Service Providers
Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name:
Firm:
Nature of Services:
Address 1:
Address 2:
Phone:
Email:

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **Albert Chun Wah So**
Title: **Chief Financial Officer**
Relationship to Issuer: **Chief Financial Officer and Director**

B. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **Albert Chun Wah So**
Title: **Chief Financial Officer**
Relationship to Issuer: **Chief Financial Officer and Director**

Describe the qualifications of the person or persons who prepared the financial statements:[7] **CMA**

Provide the following qualifying financial statements:

- o Audit letter, if audited;
- o Balance Sheet;
- o Statement of Income;
- o Statement of Cash Flows;
- o Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- o Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Andrew Chun Bong So certify that:

1. I have reviewed this Disclosure Statement for Bonso Electronics International Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 14, 2026 [Date]

/s/ Andrew Chun Bong So [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

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[7] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Principal Financial Officer:

I, Albert Chun Wah So certify that:

1. I have reviewed this Disclosure Statement for Bonso Electronics International Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 14, 2026 [Date]

/s/ Albert Chun Wah So [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Bonso Electronics International Inc.

Quarterly Report

For the Quarter Ended June 30, 2026

Bonso Electronics International Inc.

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Contents	Pages

Bonso Electronics International Inc.

Unaudited Consolidated Balance Sheets

(Expressed in United States Dollars)

	March 31, 2026 $ in thousands	June 30, 2026 $ in thousands
Assets		
Current assets		
Cash and cash equivalents	2,790	2,365
Trade receivables, net	1,417	1,577
Other receivables, deposits and prepayments	871	1,037
Inventories, net	668	774
Financial instruments at fair value	219	261
Total current assets	5,965	6,014
Prepayments, non-current	396	621
Investment in life insurance contract	188	188
Property, plant and equipment, net	7,729	7,626
Intangible assets, net	644	621
Right-of-use assets, net	1	1
Deferred tax asset	1,085	1,085
Total assets	16,008	16,156
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	456	958
Contract liabilities	153	153
Accrued charges and deposits	1,689	1,653
Refund liabilities	19	19
Finance lease obligations –current	47	45
Lease liabilities	1	1
Short-term loan	146	146
Total current liabilities	2,511	2,975
Finance lease obligations – non-current	41	31
Long-term loan	291	146
Total liabilities	2,843	3,152
Stockholders' equity		
Common stock par value $0.003 per share - authorized shares - - issued shares: March 31, 2026: 5,828,205; June 30, 2026: 5,828,205.	17	17
- outstanding shares: March 31, 2026: 4,857,187; June 30, 2026: 4,857,187.		
Additional paid-in capital	22,795	22,795
Treasury stock at cost: March 31, 2026: 971,018; June 30, 2026: 971,018.	(3,082)	(3,082)
Accumulated deficit	(7,984)	(8,155)
Accumulated other comprehensive income	1,419	1,429
Total stockholders' equity	13,165	13,004
Total liabilities and stockholders' equity	16,008	16,156

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Bonso Electronics International Inc.

Unaudited Consolidated Statements of Operations and Comprehensive Income

(Expressed in United States Dollars)

	For the three months ended June 30, 2025	2026
	$ in thousands	$ in thousands
Net revenue	1,316	2,296
Cost of revenue	(1,105)	(1,283)
Gross profit	211	1,013
Selling, general and administrative expenses	(907)	(1,180)
Loss from operations	(696)	(167)
Non-operating income / (loss), net	32	(4)
Loss before income taxes	(664)	(171)
Income tax (expense) / benefit	-	-
Net loss	(664)	(171)
Other comprehensive income / (loss), net of tax:		
Foreign currency translation adjustments, net of tax	363	10
Comprehensive loss	(301)	(161)
Net loss attributable to common shareholders	(664)	(171)
Net loss per share		
- basic	($0.14)	($0.04)
Weighted average number of shares outstanding in calculating net earnings per share		
- basic	4,857,187	4,857,187
Net loss per share		
- diluted	($0.14)	($0.04)
Weighted average number of shares outstanding in calculating net earnings per share		
- diluted	4,857,187	4,857,187

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Bonso Electronics International Inc.

Unaudited Consolidated Statements of Changes in Stockholders' Equity

(Expressed in United States Dollars)

	Common stock			Treasury stock			Accumulated other comprehensive income-foreign currency adjustments	
	Shares Issued	Amount outstanding	Additional paid-in capital	Treasury Shares held	Amount outstanding	Accumulated deficit		Total stockholders' equity
		$ in thousands	$ in thousands		$ in thousands	$ in thousands	$ in thousands	$ in thousands
Balance, March 31, 2025	5,828,205	17	22,795	971,018	(3,082)	(11,944)	928	8,714
Net loss	-	-	-	-	-	(664)	-	(664)
Foreign currency translation adjustments	-	-	-	-	-	-	363	363
Balance, June 30, 2025	5,828,205	17	22,795	971,018	(3,082)	(12,608)	1,291	8,413
Balance, March 31, 2026	5,828,205	17	22,795	971,018	(3,082)	(7,984)	1,419	13,165
Net loss	-	-	-	-	-	(171)	-	(171)
Foreign currency translation adjustments	-	-	-	-	-	-	10	10
Balance, June 30, 2026	5,828,205	17	22,795	971,018	(3,082)	(8,155)	1,429	13,004

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Bonso Electronics International Inc.

Unaudited Consolidated Statements of Cash Flows

(Expressed in United States Dollars)

	For the three months ended June 30, 2025	2026
	$ in thousands	$ in thousands
Cash flows from operating activities		
Net loss	(664)	(171)
Adjustments to reconcile net loss to net cash provided by / (used in) operating activities:		
Amortization	22	22
Depreciation	176	190
Change in fair value of financial instruments at fair value	-	(5)
Changes in assets and liabilities:		
Trade receivables	236	(160)
Other receivables, deposits and prepayments	166	(166)
Inventories	22	(106)
Right-of-use assets	68	-
Accounts payable	(15)	501
Contract liabilities	13	-
Accrued charges and deposits	119	(35)
Refund liabilities	-	7
Term loan	(18)	(146)
Short-term deposit received	(7)	-
Prepayments – non-current	-	(225)
Lease liabilities	(44)	-
Net cash provided by / (used in) operating activities	74	(301)
Cash flows from investing activities		
Acquisition of property, plant and equipment, net	(172)	(215)
Acquisition of financial instruments at fair value	-	(83)
Proceeds from sale of financial instruments at fair value	-	47
Net cash provided by / (used in) investing activities	(172)	(251)
Cash flows from financing activities		
Finance lease payments	(11)	(12)
Interest from finance lease	1	1
Interest paid	(1)	(1)
Net cash provided by / (used in) financing activities	(11)	(12)
Net increase / (decrease) in cash and cash equivalents	(109)	(564)
Effect of exchange rate changes on cash and cash equivalents	167	139
Cash and cash equivalents, beginning of period	5,424	2,790
Cash and cash equivalents, end of period	5,482	2,365

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

1 Description of business and organization

Bonso Electronics International Inc. and its subsidiaries (collectively, the "Company" or "Group") are engaged in the designing, manufacturing and selling of a comprehensive line of electronic scales and weighing instruments, pet electronic products and other products. Further, the Group also rents or leases both factory facilities and equipment not being currently used to third parties.

Particulars of principal subsidiaries as of March 31, 2026 and June 30, 2026 are as follows:

Name of company	Place of incorporation and kind of legal entity	Particulars of issued capital / registered capital	Percentage of capital held by the Company		Principal activities
		$ in thousand	March 31, 2026	June 30, 2026	
Bonso Electronics Limited * ("BEL")	Hong Kong, limited liability company	641	100%	100%	Investment holding, providing management and administrative support to the Group companies
Bonso Investment Limited ("BIL")	Hong Kong, limited liability company	385	100%	100%	Investment holding and property investment
Bonso Electronics (Shenzhen) Company, Limited ("BESCL")	The People's Republic of China ("PRC"), limited liability company	12,621	100%	100%	Investment holding and property rental
Bonso Advanced Technology Limited * ("BATL")	Hong Kong, limited liability company	128	100%	100%	Investment holding and trading of scales and pet electronic products
Bonso Advanced Technology (Xinxing) Company, Limited ("BATXXCL")	PRC, limited liability company	10,000	100%	100%	Production of scales and pet electronic products and property rental
Bonso Technology (Shenzhen) Company, Limited ("BTL")	PRC, limited liability company	26	100%	100%	Product development and trading of pet electronic products and property rental

* Shares directly held by the Company

2 Summary of significant accounting policies

The significant accounting policies are as follows:

(a) Basis of presentation

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") and presents our financial statements in United States Dollars. The consolidated financial statements include the financial statements of the Company and its subsidiaries after elimination of inter-company accounts and transactions.

(b) Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and accompanying disclosures. These estimates and assumptions are based on management's best knowledge of current events, historical experience and other information available when the financial statements are prepared. These estimates include, but are not limited to, long-live assets and intangible assets impairment review, deferred tax asset valuation allowance, provision of expected credit loss, incremental borrowing rate of lease liabilities, inventory impairment review, provision for refund liabilities, stock-based compensation expense and loss contingencies. Actual results could differ from those estimates and assumptions.

(c) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments with original maturities of three months or less. Cash equivalents are stated at cost, which approximates fair value because of the short-term maturity of these instruments. The Company has no cash equivalents as of March 31, 2026 and June 30, 2026.

2 Summary of significant accounting policies (Continued)

(d) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined by using the first-in, first-out ("FIFO") method. Costs of inventories include purchase and related costs incurred in bringing the products to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Company routinely reviews its inventories for their salability and for indications of obsolescence to determine if inventory carrying values are higher than net realizable value. Some of the significant factors the Company considers in estimating the net realizable value of its inventories include the likelihood of changes in market and customer demand and expected changes in market prices for its inventories.

(e) Trade receivables and allowance for expected credit losses

Trade receivables primarily represent amounts due from customers, that are typically non-interest bearing and are recorded at the invoiced amount, net of allowances for doubtful accounts and sales returns, if any. Trade receivables are considered overdue when settlement does not occur within the payment terms. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing trade receivables. Bad debt expense is included in general and administrative expenses.

The Company recognizes an allowance for expected credit losses to ensure accounts and other receivables are not overstated due to uncollectibility. Allowance for doubtful receivables is maintained for all customers based on a variety of factors, including the length of time the receivables are past due, significant one-time events and historical experience. An additional allowance for individual accounts is recorded when the Company becomes aware of customers' or other debtors' inability to meet their financial obligations, such as bankruptcy filings or deterioration in the customer's or other debtor's operating results or financial position. If circumstances related to customers or debtors change, estimates of the recoverability of receivables will be further adjusted. Trade receivable balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(f) Income taxes and deferred income taxes

Amounts in the consolidated financial statements related to income taxes are calculated using the principles of Accounting Standards Codification ("ASC") 740 and Accounting Standards Updates ("ASU") 2013-11 *"Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists"*. ASC 740 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the temporary differences between the financial reporting bases and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Future tax benefits, such as net operating loss carry forwards, are recognized as deferred tax assets. Recognized deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company complies with ASC 740 for uncertainty in income taxes recognized in financial statements. ASC 740 prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company's accounting policy is to treat interest and penalties as components of income taxes. The income tax returns of some of the Company's subsidiaries through the fiscal year ended March 31, 2026 are under review by the tax authorities. The tax returns of the Company's PRC subsidiaries for 2026 are subject to examination by the PRC taxing authorities.

2 Summary of significant accounting policies (Continued)

(g) Intangible assets

Land use rights and golf membership held by the Company are included in intangible assets. The granted useful life of the land use rights is 50 years. They are stated at cost and amortized on a straight-line basis over a maximum period of 30 years. Golf membership contains indefinite useful lives and are stated at cost less accumulated impairment losses.

(h) Property, plants and equipment, net

(i) Property, plant and equipment are stated at cost less accumulated depreciation. Buildings are depreciated on a straight-line basis over 20 to 66 years, representing the shorter of the remaining term of the lease or the expected useful life to the Company.

(ii) Other categories of property, plant and equipment are carried at cost and depreciated using the straight-line method over their expected useful lives to the Company. The principal estimated useful lives for depreciation are:

Plant and machinery	- 10 years
Furniture, fixtures and equipment	- 5 to10 years
Motor vehicles	- 5 years

(iii) Assets under construction are not depreciated until construction is completed and the assets are ready for their intended use.

(iv) The cost of major improvements and betterments is capitalized, whereas the cost of maintenance and repairs is expensed in the year when it is incurred.

(v) Any gain or loss on disposal is included in the consolidated statements of operations and comprehensive income.

(i) Impairment of long-lived assets including intangible assets

Long-lived assets held and used by the Company and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company evaluates recoverability of assets to be held and used by comparing the carrying amount of an asset to future net undiscounted cash flows to be generated by the asset. If such assets are considered to be impaired, the impairment loss is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets calculated using a discounted future cash flows analysis. Provisions for impairment made on other long-lived assets are disclosed in the consolidated statements of operations and comprehensive income. Long-lived assets including intangible assets are reviewed for impairment separately by each group entity.

(j) Financial instrument at amortized cost

Held-to-maturity debt securities are purchased from a financial institution, which are stated at amortized cost. Interest income, including amortization of the premium and discount arising at acquisition, are included in earnings.

2 Summary of significant accounting policies (Continued)

(k) Financial instruments at fair value

The Company complies with ASC 820, "*Fair Value Measurements*" ("ASC 820"). ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable and inputs derived from or corroborated by observable market data.

Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

(l) Leases

The Company determines if an arrangement is a lease at inception of the contract. Leases are recorded in "right-of-use (ROU) assets" and "lease liabilities" in the Company's consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset during the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. For leases in which the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at commencement date for determining the present value of lease payments. Lease term includes the effects of options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease arrangements is recognized on a straight-line basis over the lease term.

The Company elected the practical expedient permitted under the transition guidance under *"Leases"* (Topic 842), which amongst other matters, allowed the Company (i) not to apply the recognition requirements to short-term leases (leases with a lease term of 12 months or less), (ii) not to reassess whether any expired or existing contracts are or contain leases, (iii) not to reassess the lease classification for any expired or existing leases, (iv) not to reassess initial direct costs for any existing leases, and (v) not to separate lease and non-lease components for the allocation of lease costs.

The Company reviews ROU assets for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable.

2 Summary of significant accounting policies (Continued)

(m) Revenue recognition

The Company follows ASC Topic 606, *"Revenue from Contracts with Customers (Topic 606)"*. Topic 606 requires the Company to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company applies the following steps to recognize revenues: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the Company satisfies a performance obligation.

Product sales

The Company's revenue from contracts with customers is derived from product revenue principally from the sales of electronic scales and pet electronic products directly to customers. The Company sells goods to customers based on purchase orders received from the customers. The Company has determined there is one performance obligation for each model included in the purchase orders. The performance obligation is considered to be met and revenue is recognized when the customer obtains control of the goods, which is generally the point at which products are leaving the ports of Hong Kong, Shenzhen or Nansha (Guangzhou), or when risks and rewards are transferred to the customer. The Company did not recognize any revenue from contracts with customers for performance obligations satisfied over time during the three months ended June 30, 2025 and 2026.

The transaction price is generally in the form of a fixed price which is agreed with the customer at contract inception. The transaction price is recorded net of any sales return, surcharges and value-added taxes on gross sales. The Company allocates the transaction price to each performance obligation based on the purchase orders. Customers are required to pay over an agreed-upon credit period, usually between 15 to 119 days. In certain circumstances, the Company will request a deposit from a customer. Customers' deposits are settled as part of the outstanding bill upon receiving an acknowledgement from customers. For the remaining balance of the outstanding bill, the customer is required to pay over an agreed-upon credit period, usually between 0 to 15 days.

Return rights

The Company does not generally provide its customers with a right of return or production protection. Each customer is required to perform a product quality check before accepting delivery of goods. The Company provides to certain customers an additional one to two percent of the quantity of certain products ordered in lieu of a warranty, which is recognized as cost of sales when these products are shipped to customers from the Company's facilities.

The Company sells its products through Amazon's online platform. Customers purchasing products through Amazon have a 30-day right of return from the date of receipt of the product. The Company recorded a refund liability of approximately $19,000 at June 30, 2026 (March 31, 2026: $19,000) for these expected returns, which was based on the average monthly returns received for Amazon sales.

2 Summary of significant accounting policies (Continued)

(m) Revenue recognition (Continued)

Value-added taxes

The Company presents revenue net of value-added taxes ("VAT") incurred. VAT collected from customers, net of VAT paid for purchases, are recorded as a liability in the consolidated balance sheets until these are paid to the tax authorities.

Outbound freight and handling costs

The Company accounts for product outbound freight and handling costs as fulfillment activities and presents the associated costs in selling, general and administrative expenses in the period in which it sells the product.

Disaggregation of revenue

The Company disaggregates its revenue from different types of contracts with customers by principal product categories, as the Company believes it best depicts the nature, amount, timing and uncertainty of its revenue and cash flows. See Note 19 for product revenues by segment.

Contract balances

The Company did not recognize any contract asset as of March 31, 2026 and June 30, 2026. The timing between the recognition of revenue and receipt of payment is not significant. The Company's contract liabilities consist of deposits received from customers. As of March 31, 2026 and June 30, 2026, the balances of the contract liabilities are approximately $153,000 and $153,000, respectively. All contract liabilities at the beginning of the year ended March 31, 2026 were recognized as revenue during the year ended March 31, 2026 and all contract liabilities as of the end of the year ended March 31, 2026 are expected to be realized in the following year.

(n) Lease revenue

Lease income includes minimum rents which are recognized on an accrual basis over the terms of the related leases on a straight-line basis. Lease revenue recognition commences when the lessee is given possession of the leased space and there are no contingencies offsetting the lessee's obligation to pay rent.

(o) Research and development costs

Research and development costs include salaries, utilities and contractor fees that are directly attributable to the conduct of research and development progress primarily related to the development of new design of products. Research and development costs are expensed as incurred.

(p) Advertising

Advertising costs are expensed as incurred and are included within selling, general and administrative expenses.

2 Summary of significant accounting policies (Continued)

(q) Foreign currency translations

(i) The Company's functional currency is the United States dollar. Transactions denominated in non-United States dollar currencies of foreign subsidiaries where the United States dollar is the functional currency are translated into United States dollars at the exchange rates existing at date of transaction. The translation of local currencies into United States dollars at the balance sheet date creates transaction adjustments which are included in net income. Exchange differences are recorded in the statements of operations and comprehensive income.

(ii) The financial statements of foreign subsidiaries, where non-United States dollar currencies are the functional currencies, are translated into United States dollars using exchange rates in effect at period end for assets and liabilities and average exchange rates during each reporting period for the statement of operations. Adjustments resulting from translation of these financial statements are reflected as a separate component of stockholders' equity in accumulated other comprehensive income.

(r) Stock options

Stock options have been granted to employees, directors and non-employee directors. Upon exercise of the options, a holder can acquire shares of common stock of the Company at an exercise price determined by the board of directors. The options are exercisable based on the vesting terms stipulated in the option agreements or plan.

The Company follows the guidance of ASC 718, "*Accounting for Stock Options and Other Stock-Based Compensation*". ASC 718 requires companies to record compensation expense for share-based awards issued to employees and directors in exchange for services provided. The amount of the compensation expense is based on the estimated fair value of the awards on their grant dates and is recognized over the required service periods. Our share-based awards include stock options and restricted stock awards. The estimated fair value underlying our calculation of compensation expense for stock options is based on the Black-Scholes pricing model. Forfeitures of share-based awards are estimated at the time of grant and revised, if necessary, in subsequent periods if our estimates change based on the actual amount of forfeitures we have experienced.

(s) Fair value of financial instruments

The carrying amounts of financial instruments including cash and cash equivalents, trade receivables, net, other receivables, deposits and prepayments, other current assets, accounts payable and accrued charges and deposits, and other current liabilities approximate fair value due to the relatively short-term maturity of these instruments. The carrying value of long-term debt approximates fair value based on prevailing borrowing rates currently available for loans with similar terms and maturities.

(t) Earnings per share

Basic earnings per share is computed based on the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed based on the weighted average number of common shares outstanding during the year plus the dilutive effect of potential common shares. In computing the dilutive effect of potential common shares, the average stock price for the period is used in determining the number of treasury shares assumed to be purchased with the proceeds from the exercise of options. When there is a loss, the potential common shares are not included in the diluted net earnings per share since the effect would be anti-dilutive.

2 Summary of significant accounting policies

(u) Treasury stock

The Company periodically retires treasury shares that it acquires through share repurchases and returns those shares to the status of authorized but unissued. The Company accounts for treasury stock transactions under the cost method. For each reacquisition of common stock, the number of shares and the acquisition price for those shares is added to the existing treasury stock count and total value, respectively, and recognized as a deduction from equity. When treasury shares are retired, the Company's policy is to allocate the excess of the repurchase price over the par value of shares acquired to additional paid-in capital, with any remaining amount being charged to retained earnings.

(v) Long-term investment and impairment assessment

The Company invested in an equity investment without a readily determinable fair value. The Company elected to use the measurement alternative at cost, less any impairment, with subsequent adjustments for observable price changes resulting from orderly transactions for identical or similar investments of the same issuer, if any. The Company's annual impairment review considers both qualitative and quantitative factors that may have a significant effect on the fair value of these equity securities, and requires significant use of estimates and assumptions.

3 Property, plant and equipment, net

Property, plant and equipment, net, consisted of the following:

	March 31, 2026 $ in thousands	June 30, 2026 $ in thousands
Cost		
Buildings	19,160	19,195
Plant and machinery	9,727	9,730
Furniture, fixtures and equipment	2,347	2,349
Construction-in-progress	33	65
Motor vehicles	734	734
Cost - subtotal	32,001	32,073
Less: accumulated depreciation	(24,272)	(24,447)
	7,729	7,626

4 Financial instruments at fair value

At the end of the accounting period, the fair value of the following assets was as follows:

$ in thousands	March 31, 2026				June 30, 2026			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity investments	219	-	-	219	261	-	-	261

The fair value of equity investments is determined based on quoted prices in active markets.

5 Commitments and contingent liabilities

Capital expenditures contracted at the balance sheet date but not yet provided for are as follows:

	March 31, 2026 $ in thousands	June 30, 2026 $ in thousands
Construction in Xinxing, Guangdong, PRC	5	5
Renovations in Hong Kong	108	15
Total construction cost	113	20

6 Selling, general and administrative expenses

Selling, general and administrative expenses comprise the following:

	Three Months Ended June 30,	
	2025	2026
	$ in thousands	$ in thousands
General and administrative expenses	239	455
Salaries and related costs	462	480
Selling expenses	121	208
Research and development expenses	85	37
Total	907	1,180

7 Subsequent events

The Company has evaluated subsequent events through the date the financial statements were issued. The Company has determined that there are no other such events that warrant disclosure or recognition in the financial statements.