

DESWELL INDUSTRIES INC
Form 6-K/A
July 06, 2010

FORM 6-K/A

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN ISSUER

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

For July 6, 2010

DESWELL INDUSTRIES, INC.
(Registrant's name in English)

17B Edificio Comercial Rodrigues
599 Avenida Da Praia Grande,
Macao, China
(Address of principal executive offices)

EXPLANATORY NOTE

This Form 6-K/A of Deswell Industries, Inc. (the "Company") is being submitted to amend the "Unaudited Consolidated Statement of Cash Flows" for the year ended March 31, 2010 and the analysis on "Liquidity". The amounts for "Purchase of marketable securities", "Proceeds on sale of marketable securities" and "Gain on disposal of marketable securities" have been wrongly presented as "Unrealized holding gain on marketable securities" in the Company's current Form 6-K, which was originally submitted with the Securities and Exchange Commission on June 23, 2010.

DESWELL INDUSTRIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

| (U.S. dollars in thousands) | Year ended March 31 2010 | | Year ended March 31, 2010 | | 2009 |
|--|--------------------------------|---------------------|------------------------------|---|----------|
| | As Previously Filed | Effect of Change | As Adjusted | | |
| Cash flows from operating activities : | | | | | |
| Net income | \$ 1,499 | | \$ 1,499 | | \$ 1,195 |
| Adjustments to reconcile net income to net cash provided by operating activities : | | | | | |
| Depreciation and amortization | 7,011 | | 7,011 | | 7,264 |
| Impairment of property, plant and equipment | (27) |) | (27) |) | 176 |
| (Gain)/loss on disposal of property, plant and equipment | (4,304) |) | (4,304) |) | 216 |
| Unrealized holding (gain)/ loss on marketable securities | (5,573) |) \$ 5,531 | (42) |) | 16 |
| Gain on disposal of marketable securities | - | (160) | (160) |) | - |
| Stock-based compensation | 125 | | 125 | | 62 |
| Deferred tax | 1,016 | | 1,016 | | (517) |
| Changes in operating assets and liabilities : | | | | | |
| Accounts receivable | 7,828 | | 7,828 | | (918) |
| Inventories | 5,637 | | 5,637 | | 4,923 |
| Prepaid expenses and other current assets | 287 | | 287 | | 1,306 |
| Income taxes receivable | - | | - | | 3 |
| Accounts payable | (3,072) |) | (3,072) |) | (2,157) |
| Accrued payroll and employee benefits | 97 | | 97 | | (376) |
| Customer deposits | (577) |) | (577) |) | 335 |
| Other accrued liabilities | (262) |) | (262) |) | 67 |
| Income taxes payable | (705) |) | (705) |) | 74 |

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| | | | | |
|---|----------|----------|----------|----------|
| Net cash provided by operating activities | 8,980 | 5,371 | 14,351 | 11,669 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (1,606) | | (1,606) | (7,402) |
| Proceeds from disposal of property, plant and equipment | 7,651 | | 7,651 | 345 |
| Closing cost on disposal of plant | (2,123) | | (2,123) | - |
| Purchase of marketable securities | - | (5,631) | (5,631) | - |
| Proceeds from sale of marketable securities | - | 260 | 260 | - |
| Net cash used in investing activities | 3,922 | (5,371) | (1,449) | (7,057) |
| Cash flows from financing activities | | | | |
| Dividends paid | (1,619) | | (1,619) | (3,789) |
| Exercised of stock options | 703 | | 703 | - |
| Net cash provided in financing activities | (916) | | (916) | (3,789) |
| Cash effect of exchange rate changes | - | | - | (407) |
| Net decrease in cash and cash equivalents | 11,986 | | 11,986 | 416 |
| Cash and cash equivalents, at beginning of period | 23,134 | | 23,134 | 22,718 |
| Cash and cash equivalents, at end of period | 35,120 | | 35,120 | 23,134 |
| Supplementary disclosures of cashflow information : | | | | |
| Cash paid during the period for : | | | | |
| Interest | - | | - | - |
| Income taxes | 380 | 380 | 79 | 79 |

Liquidity

As of March 31, 2010, the Company had cash and cash equivalents of \$35,120,000, compared to \$23,134,000 at March 31, 2009. The increase in cash and cash equivalents was mainly attributed to net cash provided by operating activities of \$14,351,000, net cash used in investing activities of \$1,449,000 consisting primarily of purchase of property, plant and equipment for \$1,606,000, and marketable securities for \$5,631,000, offsetting proceeds on the disposal of the former manufacturing plant for \$5,185,000, and net cash used in financing activities of \$916,000 consisting primarily of \$1,619,000 paid to shareholders as dividends offsetting cash of \$702,000 from exercise of stock options during the year ended March 31, 2010.

The Company has generated sufficient funds from its operating activities to finance its operations and there is little need for external financing. The Company has no short-term borrowings or long-term borrowings at March 31, 2010.

As of March 31, 2010, the Company had no general banking facilities. The Company expects that working capital requirements and capital additions will be funded through internally generated funds.

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.

For and on behalf of
Deswell Industries, Inc.
by

/s/ Franki Tse
Franki Tse
Chief Executive Officer

Date: July 6, 2010