
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): February 13, 2019

TRIO-TECH INTERNATIONAL
(Exact Name of Registrant as Specified in Its Charter)

California
(State or Other Jurisdiction of Incorporation)

1-14523
(Commission File Number)

95-2086631
(IRS Employer Identification No.)

16139 Wyandotte Street, Van Nuys, California
(Address of Principal Executive Offices)

91406
(Zip Code)

(818) 787-7000
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b2 of the Securities Exchange Act of 1934 (17 CFR 240.12b2) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Item 2.02 Results of Operations and Financial Conditions

On February 13, 2019, Trio-Tech International issued a press release announcing its financial results for the fiscal quarter ended December 31, 2018. A copy of the press release is attached as Exhibit 99.1.

The information in this Current Report, including the exhibit hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in this Current Report, including the exhibit hereto, shall not be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release of Trio-Tech International dated February 13, 2019

SIGNATURES

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 hereunto duly authorized.

TRIO-TECH INTERNATIONAL

By: /s/ Victor H.M. Ting

Victor H.M. Ting
Chief Financial Officer

February 13, 2019

EXHIBIT INDEX

Exhibit Number Description

99.1 Press Release of Trio-Tech International dated February 13, 2019



LOS ANGELES
SINGAPORE
KUALA LUMPUR
INDONESIA
BANGKOK
SUZHOU
TIANJIN
CHONGQING

FOR IMMEDIATE RELEASE

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Trio-Tech Second Quarter Net Income \$0.09 Per Diluted Share

First Half Net Income \$0.11 Per Diluted Share

Van Nuys, CA – February 13, 2019 – **Trio-Tech International (NYSE MKT: TRT)** today announced financial results for the second quarter and first six months of fiscal 2019.

Fiscal 2019 Second Quarter Results

For the three months ended December 31, 2018, revenue decreased 8% to \$9,690,000 compared to revenue of \$10,552,000 for the same quarter last year. Manufacturing revenue was \$3,352,000, a 16% decline compared to \$3,973,000 for the same quarter last year. Semiconductor testing services revenue was \$4,393,000, an 11% decline compared to \$4,936,000 in the same quarter last year. Distribution revenue was \$1,916,000, a 19% increase compared to \$1,606,000 for the same quarter last year.

Gross margin for the second quarter of fiscal 2019 was \$2,258,000, or 23% of revenue, compared to \$2,795,000, or 26% of revenue, for the same quarter last year, reflecting lower sales and a less favorable product mix in manufacturing and testing services. Operating expenses declined 3% to \$2,031,000, or 21% of revenue, from \$2,097,000, or 20% of revenue, primarily due to reduced selling expenses.

Net income attributable to Trio-Tech common shareholders for the fiscal 2019 second quarter was \$348,000, or \$0.09 per diluted share. This compares to net income attributable to Trio-Tech common shareholders for the second quarter of fiscal 2018 of \$673,000, or \$0.18 per diluted share.

Net income for the second quarter of fiscal 2019 benefitted from adjustments related to the finalization of the One-Time Mandatory Repatriation Tax expense of \$900,000 which was recognized in the third quarter of fiscal 2018. Upon finalization of the accounting analysis, Trio-Tech recorded a reversal of \$145,000 from provision of income tax to reduce the tax liability related to the one-time transition tax to \$755,000. This estimated tax is payable over a period of eight years at no interest and is not expected to have a material effect on the Company's working capital position.

CEO Comments

S.W. Yong, Trio-Tech's CEO, said, "We are glad to report higher profitability for the second quarter of fiscal 2019 compared to the year's first quarter and are working diligently to improve the Company's financial performance in the second half of fiscal 2019. Our state-of-the-art products and services, in many cases, are available only from Trio-Tech. Based on customer inquiries and follow-up meetings, we believe Trio-Tech has a competitive advantage in today's complex and increasingly competitive semiconductor manufacturing and testing environment."

Trio-Tech Fiscal 2019 Second Quarter Net Income \$0.09 Per Diluted Share

February 13, 2019

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Fiscal 2019 First Half Results

For the six months ended December 31, 2018, revenue decreased 8% to \$19,735,000 compared to revenue of \$21,497,000 for the first half of fiscal 2018. Manufacturing revenue decreased 20% to \$6,989,000 compared to \$8,738,000 last year. Semiconductor testing services revenue was down 7% to \$8,830,000 compared to \$9,541,000 a year ago, while distribution revenue increased 23% to \$3,860,000 compared to \$3,142,000.

Gross margin for the first six months of fiscal 2019 decreased 22% to \$4,359,000, or 22% of revenue, compared to \$5,555,000, or 26% of revenue, for last year's first six months.

Operating expenses for the first six months of fiscal 2019 decreased 7% to \$4,009,000 compared to \$4,310,000 for the same period last year. Operating expenses were 20% of revenue in both periods.

Net income attributable to Trio-Tech common shareholders for the first six months of fiscal 2019 was \$413,000, or \$0.11 per diluted share, compared to \$1,248,000, or \$0.34 per diluted share, for the first six months of fiscal 2018.

Shareholders' equity at December 31, 2018 was \$23,511,000, or \$6.40 per outstanding share, compared to \$23,501,000, or \$6.61 per outstanding share, at June 30, 2018. There were approximately 3,673,055 Trio-Tech International common shares outstanding at December 31, 2018.

About Trio-Tech

Established in 1958 and headquartered in Van Nuys, California, Trio-Tech International is a diversified business group with interests in semiconductor testing services, manufacturing and distribution of semiconductor testing equipment, and real estate. Further information about Trio-Tech's semiconductor products and services can be obtained from the Company's Web site at www.triotech.com, www.universalfareast.com, and www.ttsolar.com.

Forward Looking Statements

This press release contains statements that are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and may contain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and assumptions regarding future activities and results of operations of the Company. In light of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the following factors, among others, could cause actual results to differ materially from those reflected in any forward looking statements made by or on behalf of the Company: market acceptance of Company products and services; changing business conditions or technologies and volatility in the semiconductor industry, which could affect demand for the Company's products and services; the impact of competition; problems with technology; product development schedules; delivery schedules; changes in military or commercial testing specifications which could affect the market for the Company's products and services; difficulties in profitably integrating acquired businesses, if any, into the Company; risks associated with conducting business internationally and especially in Asia, including currency fluctuations and devaluation, currency restrictions, local laws and restrictions and possible social, political and economic instability; changes in U.S. and global financial and equity markets, including market disruptions and significant interest rate fluctuations; and other economic, financial and regulatory factors beyond the Company's control. Other than statements of historical fact, all statements made in this Quarterly Report are forward looking, including, but not limited to, statements regarding industry prospects, future results of operations or financial position, and statements of our intent, belief and current expectations about our strategic direction, prospective and future financial results and condition. In some cases, you can identify forward looking statements by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "estimates," "potential," "believes," "can impact," "continue," or the negative thereof or other comparable terminology. Forward looking statements involve risks and uncertainties that are inherently difficult to predict, which could cause actual outcomes and results to differ materially from our expectations, forecasts and assumptions.

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
UNAUDITED (IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Revenue				
Manufacturing	\$ 3,352	\$ 3,973	\$ 6,989	\$ 8,738
Testing services	4,393	4,936	8,830	9,541
Distribution	1,916	1,606	3,860	3,142
Others	29	37	56	76
	<u>9,690</u>	<u>10,552</u>	<u>19,735</u>	<u>21,497</u>
Cost of Sales				
Cost of manufactured products sold	2,646	3,068	5,503	6,717
Cost of testing services rendered	3,106	3,251	6,489	6,390
Cost of distribution	1,662	1,409	3,348	2,777
Others	18	29	36	58
	<u>7,432</u>	<u>7,757</u>	<u>15,376</u>	<u>15,942</u>
Gross Margin	2,258	2,795	4,359	5,555
Operating Expenses:				
General and administrative	1,722	1,727	3,481	3,566
Selling	187	252	334	431
Research and development	122	118	194	302
Loss on disposal of property, plant and equipment	--	--	--	11
Total operating expenses	<u>2,031</u>	<u>2,097</u>	<u>4,009</u>	<u>4,310</u>
Income from Operations	227	698	350	1,245
Other (Expenses) Income				
Interest expenses	(98)	(52)	(176)	(110)
Other income, net	49	42	92	200
Total other (expenses) income	(49)	(10)	(84)	90
Income from Continuing Operations before Income Taxes	178	688	266	1,335
Income Tax Benefit (expenses)	124	(13)	50	(55)
Income from Continuing Operations before Non-controlling Interest, Net of Tax	302	675	316	1,280
Income (Loss) from Discontinued Operations, Net of Tax	4	(2)	(4)	(5)
NET INCOME	306	673	312	1,275
Less: Income Attributable to Non-controlling Interest	(42)	--	(101)	27
Net Income Attributable to Trio-Tech International	348	\$ 673	413	\$ 1,248
Net Income Attributable to Trio-Tech International:				
Income from Continuing Operations, Net of Tax	346	678	415	1,254
Income (Loss) from Discontinued Operations, Net of Tax	2	(5)	(2)	(6)
Net Income attributable to Trio-Tech International	\$ 348	\$ 673	\$ 413	\$ 1,248
Basic Earnings per Share	\$ 0.09	\$ 0.19	\$ 0.11	\$ 0.35
Diluted Earnings per share	\$ 0.09	\$ 0.18	\$ 0.11	\$ 0.34
Weighted Average Shares Outstanding B Basic	3,673	3,548	3,673	3,548

Weighted Average Shares Outstanding B Diluted

3,781

3,793

3,815

3,770

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
UNAUDITED (IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2018	2017	2018	2017
Comprehensive Income Attributable to Trio-Tech International Common Shareholders:				
Net income	\$ 306	\$ 673	\$ 312	\$ 1,275
Foreign Currency Translation, Net of Tax	(51)	588	(590)	963
Comprehensive Income (Loss)	255	1,261	(278)	2,238
Less: Comprehensive Income (Loss) Attributable To Non-controlling Interest	(57)	88	(192)	115
Comprehensive Income (Loss) Attributable to Trio-Tech International Common Shareholders	\$ 312	\$ 1,173	\$ (86)	\$ 2,123

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES)

ASSETS	Dec. 31, 2018 (unaudited)	Jun. 30, 2018
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,192	\$ 6,539
Short-term deposits	2,121	653
Trade accounts receivable, net	6,996	7,747
Other receivables	991	881
Inventories, net	2,630	2,930
Prepaid expenses and other current assets	279	208
Assets held for sale	486	91
Total current assets	19,695	19,049
Deferred tax asset	335	400
Investment properties, net	678	1,146
Property, plant and equipment, net	12,749	11,935
Other assets	1,750	2,249
Restricted term deposits	1,688	1,695
Total non-current assets	17,200	17,425
TOTAL ASSETS	\$ 36,895	\$ 36,474
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Lines of credit	\$ 2,033	\$ 2,043
Accounts payable	2,532	3,704
Accrued expenses	3,978	3,172
Income taxes payable	256	285
Current portion of bank loans payable	480	367
Current portion of capital leases	252	250
Total current liabilities	9,531	9,821
Bank loans payable, net of current portion	2,525	1,437
Capital leases, net of current portion	382	524
Deferred tax liabilities	296	327
Income taxes payable	613	828
Other non-current liabilities	37	36
Total non-current liabilities	3,853	3,152
TOTAL LIABILITIES	\$ 13,384	\$ 12,973
EQUITY		
TRIO-TECH INTERNATIONAL'S SHAREHOLDERS' EQUITY:		
Common stock, no par value, 15,000,000 shares authorized; 3,673,055 and 3,553,055 issued and outstanding at December 31, 2018 and June 30, 2018, respectively	11,424	\$ 11,023
Paid-in capital	3,258	3,249
Accumulated retained earnings	5,938	5,525
Accumulated other comprehensive gain-translation adjustments	1,683	2,182
Total Trio-Tech International shareholders' equity	22,303	21,979
Non-controlling interest	1,208	1,522
TOTAL EQUITY	\$ 23,511	\$ 23,501
TOTAL LIABILITIES AND EQUITY		

