
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): May 18, 2018

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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). 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 Condition

On May 18, 2018, Trio-Tech International issued a press release announcing its financial results for the quarter ended March 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 May 18, 2018

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

Name: Victor H.M. Ting

Title: Vice President and Chief Financial Officer

May 21, 2018

EXHIBIT INDEX

Exhibit Number

Description

[99.1](#)

Press Release of Trio-Tech International dated May 18, 2018



LOS ANGELES
SINGAPORE
KUALA LUMPUR
BANGKOK
SUZHOU
TIANJIN
CHONGQING

FOR IMMEDIATE RELEASE

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Trio-Tech Reports Third Quarter and Nine Months Results

Van Nuys, CA – May 18, 2018 – **Trio-Tech International (NYSE MKT: TRT)** today announced financial results for the third quarter and first nine months of fiscal 2018.

Nine Months Results

For the first nine months of fiscal 2018 ended March 31, 2018, revenue increased 13% to \$31,601,000 compared to \$27,900,000 for the first nine months of fiscal 2017, reflecting higher revenue in each of the Company's business segments. Gross margin for the first nine months of fiscal 2018 increased 10% to \$7,787,000, or 25% of revenue, compared to \$7,099,000, or 25% of revenue, for the first nine months of fiscal 2017.

Income from operations for this year's first nine months increased 30% to \$1,479,000, or 5% of revenue, compared to \$1,140,000, or 4% of revenue, for the same period last year.

Trio-Tech recognized a one-time, non-cash income tax expense of \$900,000, related to the 2017 United States Tax Cuts and Jobs Act, which requires a mandatory one-time repatriation of certain earnings and profits of the Company's foreign subsidiaries previously deferred from U.S. taxation. 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. After this one-time non-cash tax effect, net income attributable to Trio-Tech common shareholders for the first nine months of fiscal 2018 was \$509,000, or \$0.14 per diluted share.

Shareholders' equity at March 31, 2018 was \$23,923,000, or \$6.73 per outstanding share, compared to \$21,527,000, or \$6.11 per outstanding share, at June 30, 2017. Shareholder's equity benefited from a foreign currency translation gain of \$1,809,000, compared to a loss of \$1,087,000 for the first nine months last year. There were approximately 3,553,055 common shares outstanding at March 31, 2018.

Third Quarter Results

For the third quarter of fiscal 2018 ended March 31, 2018, revenue increased 3% to \$10,104,000 compared to revenue of \$9,825,000 for the third quarter last year. A 24% increase in testing services revenue and a 29% increase in distribution revenue offset a 26% decrease in manufacturing revenue attributable to a decrease in orders from a large customer. A change in product mix in both manufacturing and testing services reduced overall gross margin to 22% of sales for this year's third quarter, compared to 25% of sales for the third quarter of fiscal 2017.

After the one-time non-cash income tax expense mentioned above, the net loss for the third quarter of fiscal 2018 was \$739,000, or \$0.20 per diluted share.

CEO Comments

S.W. Yong, Trio-Tech's CEO, said, "It's important to emphasize that income from operations increased 30% for the first nine months of fiscal 2018, compared to the same period last year and that the Company would have posted a strong increase in net income, after excluding the one-time effect of the new U.S. tax act.

"We are encouraged that demand for Trio-Tech's testing and distribution services remained as robust in the third quarter as it was in the year's first half. We are working diligently to take advantage of opportunities for growth. While our fiscal third quarter results are typically affected by a slowdown in business activity related to the Chinese New Year and its festivities, we expect improving business operations in the fourth quarter of fiscal 2018.

(more)

Trio-Tech Reports Third Quarter and Nine Months Results

May 18, 2018

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"As always, we are focused on improving operating efficiencies and reducing costs wherever possible, even as we deliver the highest standard of service and value to our customers. This time-tested strategy is viewed as the foundation for Trio-Tech's continued success in the years ahead."

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.tsolar.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.

(tables attached)

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

UNAUDITED (IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
Revenue	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Manufacturing	\$ 3,124	\$ 4,230	\$ 11,862	\$ 11,221
Testing Services	4,913	3,977	14,454	12,204
Distribution	2,033	1,581	5,175	4,360
Others	34	37	110	115
	<u>10,104</u>	<u>9,825</u>	<u>31,601</u>	<u>27,900</u>
Costs of Sales				
Cost of manufactured products sold	2,530	3,345	9,246	8,762
Cost of testing services rendered	3,491	2,597	9,881	8,069
Cost of distribution	1,821	1,407	4,598	3,899
Others	30	29	89	71
	<u>7,872</u>	<u>7,378</u>	<u>23,814</u>	<u>20,801</u>
Gross Margin	2,232	2,447	7,787	7,099
Operating Expenses:				
General and administrative	1,773	1,659	5,339	5,178
Selling	181	222	612	587
Research and development	75	51	377	156
(Gain) Loss on disposal of property, plant and equipment	(31)	30	(20)	38
Total operating expenses	<u>1,998</u>	<u>1,962</u>	<u>6,308</u>	<u>5,959</u>
Income from Operations	234	485	1,479	1,140
Other (Expenses) Income				
Interest expense	(64)	(43)	(174)	(149)
Other income, net	111	45	311	358
Total other income	<u>47</u>	<u>2</u>	<u>137</u>	<u>209</u>
Income from Continuing Operations before Income Taxes	281	487	1,616	1,349
Income Tax Expenses	(980)	(106)	(1,035)	(256)
(Loss) Income from Continuing Operations before Non-controlling Interest, net of tax	(699)	381	581	1,093
Loss from Discontinued Operations, net of tax	(6)	(1)	(11)	(4)
NET (LOSS) INCOME	<u>(705)</u>	<u>380</u>	<u>570</u>	<u>1,089</u>
Less: Net Income Attributable to Non-controlling Interest	34	30	61	126
Net (Loss) Income Attributable to Trio-Tech International	<u>(739)</u>	<u>350</u>	<u>509</u>	<u>963</u>
Net Amount Attributable to Trio-Tech International common shareholder:				
(Loss) Income from Continuing Operations, net of tax	(736)	351	520	970
Loss from Discontinued Operations, net of tax	(3)	(1)	(11)	(7)
Net (Loss) Income Attributable to Trio-Tech International	<u>\$ (739)</u>	<u>\$ 350</u>	<u>\$ 509</u>	<u>\$ 963</u>
Basic (Loss) Earnings per Share	\$ (0.21)	\$ 0.10	\$ 0.15	\$ 0.28
Diluted (Loss) Earnings per Share	\$ (0.20)	\$ 0.10	\$ 0.14	\$ 0.27
Weighted Average Shares Outstanding - Basic	3,553	3,523	3,553	3,523
Weighted Average Shares Outstanding - Diluted	3,772	3,639	3,778	3,577

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
UNAUDITED (IN THOUSANDS)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2018	2017	2018	2017
Comprehensive Income				
Attributable to Trio-Tech International:				
Net (loss) income	\$ (705)	\$ 380	\$ 570	\$ 1,089
Foreign Currency Translation, net of tax	849	290	1,809	(1,087)
Comprehensive Income	144	670	2,379	2
Less: Comprehensive Income (Loss)				
Attributable to Non-controlling Interest	142	(38)	255	(75)
Comprehensive Income				
Attributable to Trio-Tech International	<u>\$ 2</u>	<u>\$ 708</u>	<u>\$ 2,124</u>	<u>\$ 77</u>

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

	<u>Mar. 31,</u> <u>2018</u>	<u>Jun. 30,</u> <u>2017</u>
ASSETS	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,376	\$ 4,772
Short-term deposits	678	787
Trade accounts receivable, net	8,617	9,009
Other receivables	392	401
Inventories, net	2,369	1,756
Prepaid expenses and other current assets	219	226
Asset held for sale	96	86
	<u>17,747</u>	<u>17,037</u>
Total current assets	17,747	17,037
Deferred tax assets	453	375
Investment properties, net	1,231	1,216
Property, plant and equipment, net	12,881	11,291
Other assets	2,315	1,922
Restricted term deposits	1,761	1,657
	<u>18,641</u>	<u>16,461</u>
Total non-current assets	18,641	16,461
TOTAL ASSETS	<u>\$ 36,388</u>	<u>\$ 33,498</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Lines of credit	\$ 1,311	\$ 2,556
Accounts payable	2,099	3,229
Accrued expenses	4,648	3,043
Income taxes payable	1,117	233
Current portion of bank loans payable	376	260
Current portion of capital leases	260	228
	<u>9,811</u>	<u>9,549</u>
Total current liabilities	9,811	9,549
Bank loans payable, net of current portion	1,593	1,552
Capital leases, net of current portion	614	531
Deferred tax liabilities	404	295
Other non-current liabilities	43	44
	<u>2,654</u>	<u>2,422</u>
Total non-current liabilities	2,654	2,422
TOTAL LIABILITIES	<u>12,465</u>	<u>11,971</u>
EQUITY		
TRIO-TECH INTERNATIONAL'S SHAREHOLDERS' EQUITY:		
Common stock, no par value, 15,000,000 shares authorized; 3,553,055 and 3,523,055 shares issued and outstanding at March 31, 2018 and June 30, 2017, respectively	11,023	10,921
Paid-in capital	3,246	3,206
Accumulated retained earnings	4,850	4,341
Accumulated other comprehensive gain-translation adjustments	3,248	1,633
	<u>22,367</u>	<u>20,101</u>
Total Trio-Tech International shareholders' equity	22,367	20,101
Non-controlling interest	1,556	1,426
	<u>23,923</u>	<u>21,527</u>
TOTAL EQUITY	<u>23,923</u>	<u>21,527</u>

TOTAL LIABILITIES AND EQUITY

\$ 36,388

\$ 33,498