

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, 2020

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.)

Block 1008 Toa Payoh North, Unit 03-09 Singapore
(Address of Principal Executive Offices)

318996
(Zip Code)

(65)6265 3300
(Registrant's Telephone Number, Including Area Code)

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

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, no par value	TRT	NYSE American

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, 2020, Trio-Tech International issued a press release announcing its financial results for the fiscal quarter ended December 31, 2019. 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, 2020**

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.

Date: February 14, 2020

TRIO-TECH INTERNATIONAL

By: /s/ VICTOR H.M. TING

Name: Victor H.M. Ting

Title: Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number

Description

[99.1](#)

Press Release of Trio-Tech International dated December 31, 2019



TRIO-TECH
INTERNATIONAL

LOS ANGELES
SINGAPORE
KUALA LUMPUR
INDONESIA
BANGKOK
SUZHOU
TIANJIN
CHONGQING

Company Contact:

A. Charles Wilson
Chairman
(818) 787-
7000

Investor Contact:

Berkman Associates
(310) 927-3108

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**Trio-Tech Reports Second Quarter
Net Income of \$0.11 Per Diluted Share**

First Half Net Income of \$0.19 Per Diluted Share

Van Nuys, CA – February 13, 2020 -- **Trio-Tech International** (NYSE MKT: TRT) today announced financial results for the second quarter and first six months of fiscal 2020.

Fiscal 2020 Second Quarter Results

For the three months ended December 31, 2019, net income increased 23% to \$426,000, or \$0.11 per diluted share, compared to \$348,000, or \$0.09 per diluted share, for the second quarter of fiscal 2019. Net income for the second quarter of fiscal 2020 included a \$1,172,000 gain on the sale of assets held for sale. There were no corresponding gains in the same period last year.

Revenue for the second quarter of fiscal 2020 decreased 8% to \$8,962,000 compared to revenue of \$9,690,000 for the same quarter last year. Manufacturing revenue was \$3,045,000, a 9% decrease compared to \$3,352,000 a year earlier. Semiconductor testing services revenue decreased 12% to \$3,887,000 compared to \$4,393,000 last year. Distribution revenue increased 5% to \$2,014,000 compared to \$1,916,000 for the comparable quarter of fiscal 2019.

Gross margin for the second quarter of fiscal 2020 was \$1,905,000, or 21% of revenue. This compares to gross margin of \$2,258,000, or 23% of revenue, for the same quarter last year, reflecting lower manufacturing and testing services sales.

Operating expenses increased 3% to \$2,078,000, or 23% of revenue, for this year's second quarter compared to \$2,031,000, or 21% of revenue, last year. Operating expenses increased primarily due to a doubtful debt provision in the Singapore manufacturing segment.

CEO Comments

S.W. Yong, Trio-Tech's CEO, said, "While we are pleased to report an increase in net income for the second quarter and first half of fiscal 2020 primarily driven by asset sales, our operating results continued to be affected by trade disputes as well as customer requests for delayed deliveries. As always, we are focused on delivering unparalleled customer service and the highest quality products to our customers as we strive to improve Trio-Tech's operating performance."

Fiscal 2020 First Half Results

For the six months ended December 31, 2019, net income increased 69% to \$699,000, or \$0.19 per diluted share, which included the \$1,172,000 gain on the sale of assets held for sale. This compares to net income of \$413,000, or \$0.11 per diluted share, for the six months ended December 31, 2018.

(more)

Trio-Tech Reports Second Quarter Net Income of \$0.11 Per Diluted Share

February 13, 2020

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Revenue decreased 5% to \$18,785,000 compared to revenue of \$19,735,000 for the first half of the last fiscal year. Manufacturing revenue decreased 9% to \$6,362,000 compared to \$6,989,000 for the same period in the last fiscal year. Semiconductor testing services revenue decreased 6% to \$8,277,000 compared to \$8,830,000 for the first six months of the prior fiscal year, while distribution revenue increased 7% to \$4,113,000 compared to \$3,860,000 for the first six months of the prior fiscal year.

Gross margin for the first six months of fiscal 2020 decreased 5% to \$4,157,000, or 22% of revenue, compared to \$4,359,000, or 22% of revenue, for last fiscal year's first six months.

Operating expenses for the first six months of fiscal 2020 increased 2% to \$4,108,000, or 22% of revenue, compared to \$4,009,000, or 20% of revenue for the same period of last fiscal year.

Shareholders' equity at December 31, 2019 was \$24,330,000, or \$6.62 per outstanding share, compared to \$23,666,000, or \$6.44 per outstanding share, at June 30, 2019. There were approximately 3,673,055 Trio-Tech International common shares outstanding at December 31, 2019.

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; the trade tension between U.S. and China; public health issues related to the 2019-Novel Coronavirus 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
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
UNAUDITED (IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Revenue				
Manufacturing	\$ 3,045	\$ 3,352	\$ 6,362	\$ 6,989
Testing services	3,887	4,393	8,277	8,830
Distribution	2,014	1,916	4,113	3,860
Real Estate	16	29	33	56
	<u>8,962</u>	<u>9,690</u>	<u>18,785</u>	<u>19,735</u>
Cost of Sales				
Cost of manufactured products sold	2,383	2,646	4,938	5,503
Cost of testing services rendered	2,918	3,106	6,109	6,489
Cost of distribution	1,738	1,662	3,545	3,348
Cost of real estate	18	18	36	36
	<u>7,057</u>	<u>7,432</u>	<u>14,628</u>	<u>15,376</u>
Gross Margin	1,905	2,258	4,157	4,359
Operating Expenses:				
General and administrative	1,777	1,722	3,565	3,481
Selling	176	187	366	334
Research and development	125	122	201	194
Gain on disposal of property, plant and equipment	--	--	(24)	--
Total operating expenses	<u>2,078</u>	<u>2,031</u>	<u>4,108</u>	<u>4,009</u>
(Loss) Income from Operations	(173)	227	49	350
Other Income (Expenses)				
Interest expenses	(55)	(98)	(123)	(176)
Gain on sale of asset held for sale	1,172	--	1,172	--
Other income, net	40	49	150	92
Total other income (expenses)	1,157	(49)	1,199	(84)
Income from Continuing Operations before Income Taxes	984	178	1,248	266
Income Tax (Expenses) Benefits	(120)	124	(120)	50
Income from Continuing Operations before Non-controlling Interest, Net of Tax	864	302	1,128	316
Income (Loss) from Discontinued Operations, Net of Tax	1	4	--	(4)
NET INCOME	865	306	1,128	312
Less: Income (Loss) Attributable to Non-controlling Interest	439	(42)	429	(101)
Net Income Attributable to Trio-Tech International	426	348	699	413
Net Income Attributable to Trio-Tech International:				
Income from Continuing Operations, Net of Tax	425	346	699	415
Income (Loss) from Discontinued Operations, Net of Tax	1	2	--	(2)
Net Income attributable to Trio-Tech International	<u>\$ 426</u>	<u>\$ 348</u>	<u>\$ 699</u>	<u>\$ 413</u>
Basic Earnings per Share	<u>\$ 0.12</u>	<u>\$ 0.09</u>	<u>\$ 0.19</u>	<u>\$ 0.11</u>
Diluted Earnings per share	<u>\$ 0.11</u>	<u>\$ 0.09</u>	<u>\$ 0.19</u>	<u>\$ 0.11</u>
Weighted Average Shares Outstanding B Basic	3,673	3,673	3,673	3,673

Weighted Average Shares Outstanding B Diluted	3,725	3,781	3,706	3,815
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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,	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Comprehensive Income Attributable to Trio-Tech International Common Shareholders:				
Net income	\$ 865	\$ 306	\$ 1,128	\$ 312
Foreign Currency Translation, Net of Tax	<u>525</u>	<u>(51)</u>	<u>(38)</u>	<u>(590)</u>
Comprehensive Income (Loss)	1,390	255	1,090	(278)
Less: Comprehensive Income (Loss) Attributable To Non-controlling Interest	<u>431</u>	<u>(57)</u>	<u>440</u>	<u>(192)</u>
Comprehensive Income (Loss) Attributable to Trio-Tech International Common Shareholders	<u>\$ 959</u>	<u>\$ 312</u>	<u>\$ 650</u>	<u>\$ (86)</u>

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

ASSETS	Dec. 31, 2019 (unaudited)	Jun. 30, 2019
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,743	\$ 4,863
Short-term deposits	6,888	4,144
Trade accounts receivable, net	6,937	7,113
Other receivables	752	817
Inventories, net	2,182	2,427
Prepaid expenses and other current assets	330	287
Assets held for sale	--	89
Total current assets	<u>21,832</u>	<u>19,740</u>
Deferred tax assets	421	390
Investment properties, net	734	782
Property, plant and equipment, net	11,651	12,159
Operating lease right-of-use assets	475	--
Other assets	1,626	1,750
Restricted term deposits	1,716	1,706
Total non-current assets	<u>16,623</u>	<u>16,787</u>
TOTAL ASSETS	\$ 38,455	\$ 36,527
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Lines of credit	\$ 810	\$ 187
Accounts payable	3,565	3,272
Accrued expenses	3,176	3,486
Income taxes payable	395	417
Current portion of bank loans payable	422	488
Current portion of finance leases	286	283
Current portion of operating leases	343	--
Total current liabilities	<u>8,997</u>	<u>8,133</u>
Bank loans payable, net of current portion	2,127	2,292
Finance leases, net of current portion	570	442
Operating leases, net of current portion	134	--
Deferred tax liabilities	315	327
Income taxes payable	430	439
Other non-current liabilities	37	33
Total non-current liabilities	<u>3,613</u>	<u>3,533</u>
TOTAL LIABILITIES	<u>12,610</u>	<u>11,666</u>
EQUITY		
TRIO-TECH INTERNATIONAL'S SHAREHOLDERS' EQUITY:		
Common stock, no par value, 15,000,000 shares authorized; 3,673,055 issued and outstanding at December 31, 2019 and June 30, 2019	11,424	11,424
Paid-in capital	3,319	3,305
Accumulated retained earnings	7,769	7,070
Accumulated other comprehensive gain-translation adjustments	1,818	1,867
Total Trio-Tech International shareholders' equity	<u>24,330</u>	<u>23,666</u>

Non-controlling interest	<u>1,515</u>	<u>1,195</u>
TOTAL EQUITY	<u>25,845</u>	<u>24,861</u>
TOTAL LIABILITIES AND EQUITY	\$ 38,444	\$ 36,527