
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): September 25, 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 (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 September 25, 2018, Trio-Tech International issued a press release announcing its financial results for the fiscal year ended June 30, 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 September 25, 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

Date: September 26, 2018

By: /s/ VICTOR H.M. TING

Name: Victor H.M. Ting

Title: Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of Trio-Tech International dated September 25, 2018



LOS ANGELES
SINGAPORE
KUALA LUMPUR
BANGKOK
SUZHOU
TIANJIN
CHONGQING

FOR IMMEDIATE RELEASE

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**Trio-Tech Fourth Quarter Net Income Increased 91% to
\$0.17 Per Diluted Share Versus \$0.09 Per Share Last Year**

Fiscal 2018 Operating Income Increased 47% on a 10% Gain in Revenue

Van Nuys, CA – September 25, 2018 – **Trio-Tech International (NYSE MKT: TRT)** today announced financial results for the fourth quarter and fiscal year ended June 30, 2018:

- Fourth quarter net income increased 91% to \$0.17 per diluted share vs \$0.09 for the same quarter last year.
- Fiscal 2018 operating income increased 47% vs fiscal 2017.
- Fiscal 2018 net income after one-time \$900,000 tax expense was \$0.31 per diluted share vs \$0.36 for fiscal 2017.

CEO Comments

"The fourth quarter of fiscal 2018 was another good quarter for Trio-Tech. Improved gross margin and slightly higher revenue helped us deliver solid earnings growth for the quarter, capping an impressive year for our company.

"Fiscal 2018 revenue increased at each of Trio-Tech's core business segments, compared to fiscal 2017, and was led by a 17% gain in our revenue at our testing services operations. However, our bottom-line performance for fiscal 2018 was affected by a one-time, income tax expense of \$900,000, related to the Tax Cuts and Jobs Act of 2017, 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. Without this one-time tax expense, net earnings for fiscal 2018 would have exceeded our fiscal 2017 result.

"Trio-Tech's financial condition grew even stronger in fiscal 2018. Higher cash flow from operations versus prior year contributed to an increase in cash and equivalents to \$1.84 per outstanding share at June 30, 2018, compared to \$1.35 per outstanding share at June 30, 2017. Shareholders' equity also increased, to \$6.61 per outstanding share at the close of fiscal 2018 compared to \$6.11 per outstanding share at June 30, 2017.

"Our backlog at the end of fiscal 2018 remained strong at \$8,699,000 compared to \$7,546,000 at the end of fiscal 2017," said S.W. Yong, Trio-Tech's CEO.

Fiscal 2018 Fourth Quarter Results

For the fiscal fourth quarter ended June 30, 2018, revenue increased 1% to \$10,760,000 compared to revenue of \$10,638,000 for the fourth quarter of fiscal 2017. Testing services revenue increased 13% to \$4,937,000 compared to \$4,382,000 for the same quarter last year reflecting higher volume at the company's Singapore, Malaysia and Tianjin, China facilities. Manufacturing revenue increased 1% to \$4,116,000 from \$4,068,000 due to firmer demand at Trio-Tech's Suzhou, China and U.S. operations. Distribution revenue declined 22% to \$1,678,000 from \$2,151,000, primarily because of lower customer demand in Asia.

Gross margin for the fiscal fourth quarter improved to 27% of revenue, compared to 22% of revenue for the same quarter of the prior fiscal year, driven primarily by a favorable product mix in Trio-Tech's manufacturing segment.

(more)

Trio-Tech Fourth Quarter Net Income Increased 91% to \$0.17 Per Diluted Share

September 25, 2018

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Operating expenses for the fourth quarter were \$2,142,000, or 20% of revenue, compared to \$2,014,000, or 19% of revenue, for the fourth quarter of fiscal 2017.

Income from operations for the fourth quarter more than doubled to \$709,000 from \$349,000 for the fourth quarter of fiscal 2017.

Net income attributable to Trio-Tech International common shareholders for the fourth quarter of fiscal 2018 increased 91% to \$675,000, or \$0.17 per diluted share, from \$353,000, or \$0.09 per diluted share, for the fourth quarter of the prior fiscal year.

Fiscal 2018 Results

For the twelve months ended June 30, 2018, revenue increased 10% to \$42,361,000 compared to revenue of \$38,538,000 for fiscal 2017. Testing services revenue increased 17% to \$19,391,000, compared to \$16,586,000 for fiscal 2017. Manufacturing revenue increased 5% to \$15,978,000 compared to \$15,289,000 in fiscal 2017. Distribution revenue increased 5% to \$6,853,000 compared to \$6,511,000 in fiscal 2017.

Gross profit for fiscal 2018 increased 12% to \$10,638,000 compared to \$9,462,000 for fiscal 2017. Gross margin was approximately 25% of revenue in both periods, as higher gross margin for the manufacturing segment were offset by lower gross margin in testing services.

Operating expenses for fiscal 2018 increased 6% to \$8,450,000 compared to \$7,973,000 for fiscal 2017, but declined, as percent of revenue, to 20% from 21% for fiscal 2017.

Income from operations increased 47% to \$2,188,000 compared to \$1,489,000 in fiscal 2017.

Net income attributable to Trio-Tech International common shareholders for fiscal 2018 declined 10% to \$1,184,000, or \$0.31 per diluted share, compared to \$1,316,000, or \$0.36 per diluted share in fiscal 2017. Fiscal 2018 net income was affected by a one-time, income tax expense of \$900,000, related to the Tax Cuts and Jobs Act of 2017.

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 to government policies, potential legislative 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 press release 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
AUDITED (IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	Three Months Ended		Twelve Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Revenue				
Manufacturing	\$ 4,116	\$ 4,068	\$ 15,978	\$ 15,289
Testing services	4,937	4,382	19,391	16,586
Distribution	1,678	2,151	6,853	6,511
Others	29	37	139	152
	<u>10,760</u>	<u>10,638</u>	<u>42,361</u>	<u>38,538</u>
Cost of Sales				
Cost of manufactured products sold	2,967	3,329	12,213	12,091
Cost of testing services rendered	3,442	2,988	13,323	11,057
Cost of distribution	1,470	1,929	6,068	5,828
Others	30	29	119	100
	<u>7,909</u>	<u>8,275</u>	<u>31,723</u>	<u>29,076</u>
Gross Margin	2,851	2,363	10,638	9,462
Operating Expenses:				
General and administrative	1,911	1,733	7,250	6,911
Selling	214	220	826	807
Research and development	74	52	451	208
(Loss) Gain on disposal of property, plant and equipment	(57)	9	(77)	47
Total operating expenses	<u>2,142</u>	<u>2,014</u>	<u>8,450</u>	<u>7,973</u>
Income from Operations	709	349	2,188	1,489
Other (Expenses) Income				
Interest expense	(59)	(53)	(233)	(202)
Other income, net	24	156	335	514
Total other (Expenses) Income	<u>(35)</u>	<u>103</u>	<u>102</u>	<u>312</u>
Income from Continuing Operations before Income Taxes	674	452	2,290	1,801
Income Tax Benefit Expense	48	(85)	(987)	(341)
Income from Continuing Operations				
before Non-controlling Interest, net of tax	722	367	1,303	1,460
Loss from discontinued operations, net of tax	(2)	(1)	(13)	(5)
NET INCOME	<u>720</u>	<u>366</u>	<u>1,290</u>	<u>1,455</u>
Less: Net income attributable to the non-controlling interest	45	13	106	139
Net Income attributable to Trio-Tech International	675	353	1,184	1,316
Net Income Attributable to Trio-Tech International:				
Income from continuing operations, net of tax	677	355	1,197	1,325
Loss from discontinued operations, net of tax	(2)	(2)	(13)	(9)
Net Income Attributable to Trio-Tech International	<u>\$ 675</u>	<u>\$ 353</u>	<u>\$ 1,184</u>	<u>\$ 1,316</u>
Basic Earnings per Share - Continuing Operations	\$ 0.19	\$ 0.10	\$ 0.34	\$ 0.38
Basic Loss per Share - Discontinued Operations	(0.01)	--	(0.01)	--
Basic Earnings per Share	<u>\$ 0.18</u>	<u>\$ 0.10</u>	<u>\$ 0.33</u>	<u>\$ 0.38</u>
Diluted Earnings per Share – Continuing Operations	\$ 0.18	\$ 0.09	\$ 0.32	\$ 0.36
Diluted Loss per Share – Discontinued Operations	(0.01)	--	(0.01)	--
Diluted Earnings per Share	<u>\$ 0.17</u>	<u>\$ 0.09</u>	<u>\$ 0.31</u>	<u>\$ 0.36</u>
Weighted Average Shares Outstanding - Basic	3,553	3,523	3,553	3,523
Weighted Average Shares Outstanding - Diluted	3,714	3,737	3,771	3,644

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

	Three Months Ended		Twelve Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Comprehensive Income				
Attributable to Trio-Tech International:				
Net income	\$ 720	\$ 366	\$ 1,290	\$ 1,455
Foreign currency translation, net of tax	(1,081)	408	728	(679)
Comprehensive (Loss) Income	(361)	774	2,018	776
Less: Comprehensive Income (Loss)				
attributable to non-controlling interests	30	64	285	(11)
Comprehensive (Loss) Income				
Attributable to Trio-Tech International	<u>\$ (391)</u>	<u>\$ 710</u>	<u>\$ 1,733</u>	<u>\$ 787</u>

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

ASSETS	June 30, 2018	June 30, 2017
(audited)		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,539	\$ 4,772
Short-term deposits	653	787
Trade accounts receivable, net	8,007	9,009
Other receivables	621	401
Inventories, net	2,930	1,756
Prepaid expenses and other current assets	208	226
Assets held for sale	<u>91</u>	<u>86</u>
Total current assets	19,049	17,037
Deferred tax assets	400	375
Investment properties, net	1,146	1,216
Property, plant and equipment, net	11,935	11,291
Other assets	2,249	1,922
Restricted term deposits	<u>1,695</u>	<u>1,657</u>
Total non-current assets	<u>17,425</u>	<u>16,461</u>
TOTAL ASSETS	<u>\$ 36,474</u>	<u>\$ 33,498</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Lines of credit	\$ 2,043	\$ 2,556
Accounts payable	3,704	3,229
Accrued expenses	3,172	3,043
Income taxes payable	285	233
Current portion of bank loans payable	367	260
Current portion of capital leases	<u>250</u>	<u>228</u>
Total current liabilities	9,821	9,549
Bank loans payable, net of current portion	1,437	1,552
Capital leases, net of current portion	524	531
Deferred tax liabilities	327	295
Income taxes payable	828	--
Other non-current liabilities	<u>36</u>	<u>44</u>
Total non-current liabilities	<u>3,152</u>	<u>2,422</u>
TOTAL LIABILITIES	<u>12,973</u>	<u>11,971</u>
COMMITMENTS AND CONTINGENCIES	--	--
EQUITY		
TRIO-TECH INTERNATIONAL'S SHAREHOLDERS' EQUITY:		
Common stock, no par value, 15,000,000 shares authorized; 3,553,055 and 3,523,055 issued and outstanding at June 30, 2018 and June 30, 2017, respectively	11,023	10,921
Paid-in capital	3,249	3,206
Accumulated retained earnings	5,525	4,341
Accumulated other comprehensive gain-translation adjustments	<u>2,182</u>	<u>1,633</u>
Total Trio-Tech International shareholders' equity	21,979	20,101
Non-controlling interest	<u>1,522</u>	<u>1,426</u>
TOTAL EQUITY	<u>23,501</u>	<u>21,527</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 36,474</u>	<u>\$ 33,498</u>

