
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): November 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.)

Block 1008 Toa Pavoh 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 November 13, 2019, Trio-Tech International issued a press release announcing its financial results for the fiscal quarter ended September 30, 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 November 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.

Date: November 14, 2019

TRIO-TECH INTERNATIONAL

By: /s/ VICTOR H.M. TING
Name: Victor H.M. Ting
Title: Vice President and
Chief Financial Officer

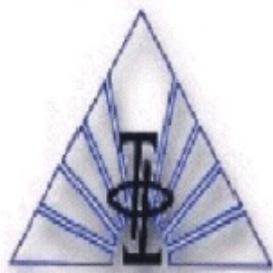
EXHIBIT INDEX

Exhibit Number

Description

[99.1](#)

Press Release of Trio-Tech International dated November 13, 2019



TRIO-TECH
INTERNATIONAL

LOS ANGELES
SINGAPORE
KUALA LUMPUR
INDONESIA
BANGKOK
SUZHOU
TIANJIN
CHONGQING

Company Contact:

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(818) 787-
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Investor Contact:

Berkman Associates
(310) 927-3108

info@BerkmanAssociates.com

**Trio-Tech First Quarter Net Earnings
Per Diluted Share Increased to \$0.07 versus \$0.02**

Van Nuys, CA -- November 13, 2019 – **Trio-Tech International (NYSE MKT: TRT)** announced today that net income for the first quarter of fiscal 2020 more than quadrupled to \$273,000, or \$0.07 per diluted share, compared to \$65,000, or \$0.02 per diluted share, for the first quarter of fiscal 2019.

Total revenue for the three months ended September 30, 2019 decreased 2% to \$9,823,000 compared to revenue of \$10,045,000 for the first quarter of fiscal 2019. Manufacturing revenue decreased 9% to \$3,317,000 from \$3,637,000 last year, primarily related to a decline in orders at Trio-Tech's Singapore operations. Semiconductor testing services revenue decreased 1% to \$4,390,000 compared to \$4,437,000 last year, reflecting lower orders in Malaysia and China. Distribution revenue increased 8% to \$2,099,000 compared to \$1,944,000 in the first quarter last year, driven by an increase in orders from customers in Singapore.

Gross margin improved for all three of our major business segments for the first quarter of fiscal 2020 compared to the first quarter of fiscal 2019, increasing 7% to \$2,252,000, or 23% of sales, compared to \$2,101,000, or 21% of sales in the same quarter last year. As a percent of sales, an improved product mix raised manufacturing and distribution gross margin to 23%, from 21% and to 14% from 13%, respectively, while cost reductions contributed to an increase in testing services gross margin to 27% from 24% a year ago.

Operating expenses for the first quarter of fiscal 2020 increased 3% to \$2,030,000, or 21% of sales, compared to \$1,978,000, or 20% of sales, for the first quarter of fiscal 2019.

Operating income increased 80% to \$222,000, or 2% of revenue, compared to \$123,000, or 1% of revenue, in the same quarter last year.

Shareholders' equity at September 30, 2019 was \$24,569,000, or \$6.69 per outstanding share, compared to \$24,861,000, or \$6.77 per outstanding share, at June 30, 2019. There were approximately 3,673,055 common shares outstanding at September 30, 2019 and June 30, 2019.

CEO Comments

S.W. Yong, Trio-Tech's CEO, said, "By aggressively managing costs and implementing programs to improve operating efficiency, we achieved higher margins and increased profitability in the first quarter of fiscal 2020 despite the slight decline in revenue. A favorable product mix in our manufacturing and distribution operations also contributed to our bottom-line performance. Although our customers are likely to continue to be affected by uncertainty associated with ongoing trade disputes, we believe that the semiconductor industry remains robust with new products and technologies for communications, defense, automotive and a host of other applications that create many exciting opportunities for Trio-Tech's long-term growth."

Trio-Tech First Quarter Net Earnings Per Diluted Share Increased to \$0.07 versus \$0.02

November 13, 2019

Page Two

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; trade tension between U.S. and China; 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 September 30, | |
|---|-------------------------------------|----------------|
| | 2019 | 2018 |
| Revenue | | |
| Manufacturing | \$ 3,317 | \$ 3,637 |
| Testing services | 4,390 | 4,437 |
| Distribution | 2,099 | 1,944 |
| Real estate | 17 | 27 |
| | <u>9,823</u> | <u>10,045</u> |
| Cost of Sales | | |
| Cost of manufactured products sold | 2,555 | 2,857 |
| Cost of testing services rendered | 3,191 | 3,383 |
| Cost of distribution | 1,807 | 1,686 |
| Cost of real estate | 18 | 18 |
| | <u>7,571</u> | <u>7,944</u> |
| Gross Margin | 2,252 | 2,101 |
| Operating Expenses: | | |
| General and administrative | 1,788 | 1,759 |
| Selling | 190 | 147 |
| Research and development | 76 | 72 |
| Gain on disposal of property, plant and equipment | (24) | -- |
| Total operating expenses | <u>2,030</u> | <u>1,978</u> |
| Income from Operations | 222 | 123 |
| Other Income (Expenses) | | |
| Interest expenses | (68) | (78) |
| Other income, net | 110 | 43 |
| Total other income (expenses) | 42 | (35) |
| Income from Continuing Operations before Income Taxes | 264 | 88 |
| Income Tax Expense | -- | (74) |
| Income from Continuing Operations before Non-controlling Interest, net of tax | 264 | 14 |
| Loss from discontinued operations, net of tax | (1) | (8) |
| NET INCOME | 263 | 6 |
| Less: Net loss attributable to the non-controlling interest | (10) | (59) |
| Net Income attributable to Trio-Tech International | <u>273</u> | <u>\$ 65</u> |
| Net Income Attributable to Trio-Tech International: | | |
| Income from continuing operations, net of tax | 274 | 69 |
| Loss from discontinued operations, net of tax | (1) | (4) |
| Net Income Attributable to Trio-Tech International | \$ 273 | \$ 65 |
| Earnings per share | | |
| Basic earnings per share | <u>\$ 0.07</u> | <u>\$ 0.02</u> |
| Diluted earnings per share | <u>\$ 0.07</u> | <u>\$ 0.02</u> |

| | | |
|---|-------|-------|
| Weighted Average Shares Outstanding - Basic | 3,673 | 3,608 |
| Weighted Average Shares Outstanding - Diluted | 3,690 | 3,732 |

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

| | Three Months Ended September 30, | |
|---|-------------------------------------|----------|
| | 2019 | 2018 |
| Comprehensive Income (Loss) Attributable to Trio-Tech International: | | |
| Net income | \$ 263 | \$ 6 |
| Foreign currency translation, net of tax | (563) | (539) |
| Comprehensive Loss | (300) | (533) |
| Less: comprehensive income (loss) attributable to non-controlling interests | 9 | (135) |
| Comprehensive Loss Attributable to Trio-Tech International | \$ (309) | \$ (398) |

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

| ASSETS | Sep. 30, 2019 (unaudited) | Jun. 30, 2019 (audited) |
|---|---------------------------------|-------------------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 3,710 | \$ 4,863 |
| Short-term deposits | 5,222 | 4,144 |
| Trade accounts receivable, net | 7,520 | 7,113 |
| Other receivables | 756 | 817 |
| Inventories, net | 1,688 | 2,427 |
| Prepaid expenses and other current assets | 346 | 287 |
| Assets held for sale | 88 | 89 |
| Total current assets | 19,330 | 19,740 |
| Deferred tax assets | 383 | 390 |
| Investment properties, net | 736 | 782 |
| Property, plant and equipment, net | 11,787 | 12,159 |
| Operating lease right-of-use assets | 614 | -- |
| Other assets | 1,594 | 1,750 |
| Restricted term deposits | 1,674 | 1,706 |
| Total non-current assets | 16,788 | 16,787 |
| TOTAL ASSETS | \$ 36,118 | \$ 36,527 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Lines of credit | \$ -- | \$ 187 |
| Accounts payable | 3,170 | 3,272 |
| Accrued expenses | 3,374 | 3,486 |
| Income taxes payable | 333 | 417 |
| Current portion of bank loans payable | 360 | 488 |
| Current portion of finance leases | 206 | 283 |
| Current portion of operating leases | 362 | -- |
| Total current liabilities | 7,805 | 8,133 |
| Bank loans payable, net of current portion | 2,259 | 2,292 |
| Finance leases, net of current portion | 479 | 442 |
| Operating leases, net of current portion | 219 | -- |
| Deferred tax liabilities | 321 | 327 |
| Income taxes payable | 430 | 439 |
| Other non-current liabilities | 36 | 33 |
| Total non-current liabilities | 3,744 | 3,533 |
| TOTAL LIABILITIES | 11,549 | 11,666 |
| EQUITY | | |
| TRIO-TECH INTERNATIONAL'S SHAREHOLDERS' EQUITY: | | |
| Common stock, no par value, 15,000,000 shares authorized; 3,673,055 shares issued and outstanding at September 30, 2019 and June 30, 2019 | 11,424 | 11,424 |
| Paid-in capital | 3,313 | 3,305 |
| Accumulated retained earnings | 7,343 | 7,070 |
| Accumulated other comprehensive gain-translation adjustments | 1,285 | 1,867 |
| Total Trio-Tech International shareholders' equity | 23,365 | 23,666 |
| Non-controlling interest | 1,204 | 1,195 |

| | | |
|------------------------------|------------------|------------------|
| TOTAL EQUITY | <u>24,569</u> | <u>24,861</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 36,118</u> | <u>\$ 36,527</u> |