

TRIO TECH INTERNATIONAL  
Form 10-Q  
May 15, 2008

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2008  
OR

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

For the Transition Period from \_\_\_ to \_\_\_

Commission File Number 1-14523

TRIO-TECH INTERNATIONAL  
(Exact name of Registrant as specified in its Charter)

California  
(State or other jurisdiction of  
incorporation or organization)

95-2086631  
(I.R.S. Employer  
Identification Number)

16139 Wyandotte  
Van Nuys, California  
(Address of principle executive offices)

91406  
(Zip Code)

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

Not Applicable  
(Former Name, Former Address and Former Fiscal Year if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

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company” in Rule 12b-2 of the Exchange Act. (Check one): Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company  R

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No  R

Number of shares of common stock outstanding as of April 28, 2008 was 3,226,430

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TRIO-TECH INTERNATIONAL  
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## FORWARD-LOOKING STATEMENTS

The discussions of Trio-Tech International's (the "Company") business and activities set forth in this Form 10-Q and in other past and future reports and announcements by the Company 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 Southeast Asia, including currency fluctuations and devaluation, currency restrictions, local laws and restrictions and possible social, political and economic instability; and other economic, financial and regulatory factors beyond the Company's control. The increase in world-wide oil prices caused companies to incur higher costs. We believe customers have tightened and will continue to tighten their spending, resulting in a decline in the demand for electronic products and semiconductor equipment. We anticipate that this chain effect will hit the Company's business gradually in the future. See the discussions elsewhere in this Form 10-Q, including under the heading "Certain Risks That May Affect Our Future Results," for more information. 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 thereof or other comparable terminology.

We undertake no obligation to update forward-looking statements to reflect subsequent events, changed circumstances, or the occurrence of unanticipated events.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## TRIO-TECH INTERNATIONAL AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS UNAUDITED (IN THOUSANDS, EXCEPT NUMBER OF SHARES)

	March 31, 2008 (Unaudited)	June 30, 2007
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 5,958	\$ 7,135
Short-term deposits	8,342	7,815
Trade accounts receivable, less allowance for doubtful accounts of \$44 and \$42	7,083	7,410
Other receivables	682	245
Inventories, less provision for obsolete inventory of \$817 and \$781	2,144	1,946
Prepaid expenses and other current assets	222	122
Assets held for sale	219	--
Total current assets	24,650	24,673
INVESTMENT IN CHINA (Note 11)	2,931	--
PROPERTY, PLANT AND EQUIPMENT, Net	7,713	7,458
OTHER INTANGIBLE ASSETS, Net	143	212
OTHER ASSETS	645	445
<b>TOTAL ASSETS</b>	<b>\$ 36,082</b>	<b>\$ 32,788</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 2,413	\$ 2,265
Accrued expenses	3,658	4,354
Advances from buyer	22	--
Income taxes payable	544	948
Current portion of notes payable	1,417	536
Current portion of capital leases	93	125
Total current liabilities	8,147	8,228
NOTES PAYABLE, net of current portion	1,961	139
CAPITAL LEASES, net of current portion	95	155
DEFERRED TAX LIABILITIES	499	373
<b>TOTAL LIABILITIES</b>	<b>\$ 10,702</b>	<b>\$ 8,895</b>
MINORITY INTEREST	2,728	2,459
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock; no par value, 15,000,000 shares authorized; 3,226,430 and 3,225,930 shares issued and outstanding as of	10,362	10,361

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March 31, 2008 and June 30, 2007, respectively

Paid-in capital	850	460
Retained earnings	9,286	10,135
Accumulated other comprehensive income	2,154	478
Total shareholders' equity	22,652	21,434
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 36,082	\$ 32,788

See accompanying notes to condensed consolidated financial statements.

TRIO-TECH INTERNATIONAL AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME  
UNAUDITED (IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

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	Nine Months Ended		Three Months Ended	
March 31, 2008		March 31,	March 31,	March 31,