

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 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 15, 2020

Applied Optoelectronics, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

001-36083
(Commission File Number)

76-0533927
(I.R.S. Employer Identification No.)

13139 Jess Pirtle Blvd.
Sugar Land, TX 77478
(address of principal executive offices and zip code)

(281) 295-1800
(Registrant's telephone number, including area code)

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:

- 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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par value \$0.001	AAOI	NASDAQ Global Market

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 1.01 **Entry into a Material Definitive Agreement.**

On September 15, 2020, Prime World International Holdings Ltd. (the “Company”), a wholly owned subsidiary of Applied Optoelectronics, Inc., entered into an Amendment to the Finance Lease Agreements (the “Amendment”) with Chailease Finance Co., Ltd. (“Chailease”). The Amendment amends the Finance Lease Agreements, dated November 29, 2018 and January 21, 2019, between the Company and Chailease (hereafter collectively referred to as the “Original Agreements”).

Pursuant to the Amendment, the Company agrees to pay Chailease 22,311,381 NTD for certain leased equipment listed in the Amendment (the “Leased Equipment”). This payment will include all outstanding lease payments, costs and expenses; simultaneously, Chailease agrees to transfer title of such Leased Equipment back to the Company.

Regarding all other equipment contemplated in the Original Agreements but not listed in the Amendment, pursuant to the terms and conditions made under the Original Agreements, the Company is obligated to pay Chailease monthly lease payments which total 159,027,448 NTD (the “Lease Payments”). The Lease Payments will begin on September 21, 2020 with the last Lease Payment due on January 21, 2022, title of all other equipment contemplated under the Original Agreements but not listed in the Amendment will transfer to the Company upon completion of the Lease Payments and expiration of the Original Agreements.

The foregoing description of the Amendment does not purport to be a complete statement of the parties’ rights and obligations under the Amendment and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 2.03 **Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.**

The information contained in Item 1.01 of this Current Report on Form 8-K with respect to the Amendment is incorporated by reference herein and made a part hereof.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits

10.1 [Translation of Amendment to the Finance Lease Agreements, dated September 15, 2020, between Prime World International Holdings Ltd., and Chailease Finance Co., Ltd.](#)

104 Cover Page Interactive File (the cover page tags are embedded within the Inline XBRL document).

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.

Applied Optoelectronics, Inc.

By: /s/ DAVID C. KUO
DAVID C. KUO
General Counsel and Vice President

Date: September 18, 2020

Amendment to the Finance Lease Agreements

Party A (the "Lessor"): Chailease Finance Co., Ltd.

Party B (the "Lessee"): Prime World International Holdings Ltd., Taiwan Branch

WHEREAS, Party A and Party B entered into two Financial Lease Agreements (contract number: A1811069AB and A1901033AB, hereafter collectively referred to as the "Original Agreements") for the purpose of engaging in a financial lease transaction between both parties. As of today, even though the Original Agreements remain in effect, Party A agrees with Party B that Party B early pay the outstanding lease payment in connection with certain equipment listed in the Appendix Leased Equipment (hereinafter referred to as the "Leased Equipment"). NOW, THEREFORE, both parties agree to amend the Original Agreements as follows:

1. Party A confirms that it has received 22,311,381 NTD (the "Early Lease Payment") remitted by Party B on September 15, 2020, the Early Lease Payment include all outstanding lease payments and any other costs or expenses in connection with the Leased Equipment.
2. Transfer the ownership of the Leased Equipment, and the manner of delivery:
 - (1) Since Party B has been in possession of the Leased Equipment, both parties agree that the Leased Equipment shall be delivered with the short hand and be provided "AS IS WHERE IS" according to the provisions of Article 761 of the Civil Code at the time when Party A receives the Early Lease Payment, whereby the ownership of the Leased Equipment shall be transferred to Party B simultaneously.
 - (2) Party B acknowledges that the Leased Equipment received is free from defect in a right or a thing.
3. Both parties confirm that the remaining lease payments of the Original Agreements at a total amount of 159,027,448 NTD after Party A receives the Early Lease Payment under this amendment, the remaining lease payments will be paid off in accordance with the Appendix Remaining Lease Payment Schedule to this amendment.
4. Except as expressly modified by the terms of this amendment, all the rights and obligations of both parties shall continue to subject to the Original Agreements and remain unchanged.
5. All Appendices, which are an integral part of this amendment, shall have the same effect as the amendment.
6. This amendment has the same effect as the Original Agreements. In case of any conflict or inconsistency between the Original Agreements and this amendment, this amendment shall prevail.
7. Both parties agree that this amendment shall be governed and interpreted in accordance with the law of Taiwan (R.O.C.). Any disputes arising out of this amendment shall be resolved in the Taiwan Shilin District Court as the court of first instance.
8. This amendment is made in duplicate, with Party A and Party B holding one respectively.

Party A:	Chailease Finance Co., Ltd.
Representative:	CHEN,FENG-LUNG
Tax ID number:	05072925
Address:	8th to 12th Floors, No. 362, Ruiguang Road, Neihu District, Taipei City

Party B:	Prime World International Holdings Ltd., Taiwan Branch
Representative:	LIN,CHIH-HSIANG
Tax ID number:	28410552
Address:	No. 18, Gongsi Road, Linkou District, New Taipei City

Date: September 15, 2020

Appendix - Remaining Lease Payment Schedule

Contract Number: A1811069AB

Rent and Payment (tax excluded)	
September 30, 2020	NTD 5,240,178
October 31, 2020	NTD 5,232,606
November 30, 2020	NTD 5,211,784
December 31, 2020	NTD 5,203,266
January 31, 2021	NTD 5,188,595
February 28, 2021	NTD 5,159,729
March 31, 2021	NTD 5,159,255
April 30, 2021	NTD 5,140,799
May 31, 2021	NTD 5,129,914
June 30, 2021	NTD 5,112,405
July 31, 2021	NTD 5,100,573
August 31, 2021	NTD 5,085,904
September 30, 2021	NTD 5,069,814
October 31, 2021	NTD 5,056,563
November 30, 2021	NTD 5,041,404

Contract Number: A1901033AB

Rent and Payment (tax excluded)	
September 21, 2020	NTD 4,918,493
October 21, 2020	NTD 4,899,701
November 21, 2020	NTD 4,893,703
December 21, 2020	NTD 4,875,710
January 21, 2021	NTD 4,868,913
February 21, 2021	NTD 4,856,518
March 21, 2021	NTD 4,830,928
April 21, 2021	NTD 4,831,728
May 21, 2021	NTD 4,815,735
June 21, 2021	NTD 4,806,939
July 21, 2021	NTD 4,791,744
August 21, 2021	NTD 4,782,148
September 21, 2021	NTD 4,769,753
October 21, 2021	NTD 4,755,758
November 21, 2021	NTD 4,744,963
December 21, 2021	NTD 4,731,768
January 21, 2022	NTD 4,720,157

Appendix - Leased Equipment

Appendix	Asset	Cap date	Asset Description	Acquisition Price	Book Value	Currency	Asset Name	Quantity	Unit	Brand	Model	Cost Center	Cen Text	Location	location
Contract ID	Asset	Cap date	Asset Description	Acquisition Price	Book Value	Currency	Asset Name	Quantity	Unit	Brand	Model	Cost Center	Cen Text	Location	location
A1811069AB 53100004041		2016/10/20	MRSI-DH-3 Ultra-Precision Assembly Workcell	16,701,619	14,797,546	TWD	Die Bonder Machine	1	Set	MRSI	MRSI-DH-3	201000	Executive-GM Office	2006	DF Box
A1811069AB 53100004234		2017/5/31	AD838L-Plus High Speed Epoxy Die Bonder	6,785,282	5,371,681	TWD	Die Bonder Machine	1	Set	ASM Pacific Technology	AD838L	207108	Production II -BOSA	2008	DF BOS
A1811069AB 53100003527		2016/1/30	MP1800A 4T/4R BERT ((1ch PG/4ch ED))	7,174,320	5,261,168	TWD	Bit Error Rate Analyzer	1	Set	Anritsu	MP1800A	201000	Executive-GM Office	3020	BF Can
A1901033AB 53100003862		2016/3/17	ADST YS-800 Laser Welding System	3,446,176	2,985,115	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	207105	Production II -mini CX	3004	BF mini
A1901033AB 53100004302		2017/6/5	Auto W/B Model IConn Plus	3,700,000	2,929,166	TWD	Automatic Wire Bonding Machine	1	Set	K&S	IConn Plus	206203	Engineering II -ED	A030	Modific
A1901033AB 53100003863		2016/3/17	ADST YS-800 Laser Welding System	3,209,259	2,822,768	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	207105	Production II -mini CX	3004	BF mini
A1901033AB 53100003864		2016/3/17	ADST YS-800 Laser Welding System	3,209,259	2,822,768	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	201000	Executive-GM Office	3004	BF mini
A1901033AB 53100004393		2017/8/24	ADST YS-800 Laser Welding System	3,320,891	2,767,408	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	201000	Executive-GM Office	3004	BF mini
A1901033AB 53100004387		2017/7/20	ADST YS-800 Laser Welding System	3,316,031	2,671,247	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	207105	Production II -mini CX	3004	BF mini
A1901033AB 53100004388		2017/7/20	ADST YS-800 Laser Welding System	3,316,031	2,671,247	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	207105	Production II -mini CX	3004	BF mini
A1901033AB 53100003987		2016/5/10	I00G CLR4 ADST RX Auto-alignment system (YS-5221)	3,166,746	2,427,838	TWD	I00G CWDM4 Gen1 Demux Welding Machine	1	Set	ADST	YS-5221	206203	Engineering II -ED	A030	Modific
A1901033AB 53100003850		2016/3/17	ADST YS-800 Laser Welding System	2,979,201	2,234,401	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	201000	Executive-GM Office	3004	BF mini
A1901033AB 53100003851		2016/3/17	ADST YS-800 Laser Welding System	2,979,201	2,234,401	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	201000	Executive-GM Office	3004	BF mini
A1901033AB 53100003855		2016/3/17	ADST YS-800 Laser Welding System	2,979,201	2,234,401	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	207105	Production II -mini CX	3004	BF mini
A1901033AB 53100003856		2016/3/17	ADST YS-800 Laser Welding System	2,979,201	2,234,401	TWD	Automatic Alignment and Laser Welding Machine	1	Set	ADST	YS-800	207105	Production II -mini CX	3004	BF mini
A1901033AB 53100004420		2017/7/10	ADST I00G Alignment System YS-5221	2,566,887	2,067,770	TWD	I00G CWDM4 Gen1 Demux Welding Machine	1	Set	ADST	YS-5221	207108	Production II -BOSA	2008	DF BOS
A1901033AB 53100004061		2017/1/6	ADST YS-5221 ROSA auto alignment system	2,613,220	1,959,915	TWD	I00G CWDM4 Gen1 Demux Welding Machine	1	Set	ADST	YS-5221	207108	Production II -BOSA	2008	DF BOS
A1901033AB 53100004062		2017/1/6	ADST YS-5221 ROSA auto alignment system	2,613,220	1,959,915	TWD	I00G CWDM4 Gen1 Demux Welding Machine	1	Set	ADST	YS-5221	207108	Production II -BOSA	2008	DF BOS
A1901033AB 53100004421		2017/7/10	ADST I00G Alignment System YS-5221	2,360,193	1,891,652	TWD	I00G CWDM4 Gen1 Demux Welding Machine	1	Set	ADST	YS-5221	207108	Production II -BOSA	2008	DF BOS
A1901033AB 53100003829		2016/3/14	PD Alignment System YS-5221 (for PD only)	2,513,372	1,885,029	TWD	I00G CWDM4 Gen1 Demux Welding Machine	1	Set	ADST	YS-5221	201000	Executive-GM Office	2008	DF BOS