
**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): **February 26, 2019**

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

Delaware
(State or other jurisdiction of
incorporation)

001-36083
(Commission File Number)

76-0533927
(IRS Employer Identification No.)

13139 Jess Pirtle Blvd.
Sugar Land, Texas
(Address of principal executive offices)

77478
(Zip Code)

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

Not Applicable
(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 (§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 February 26, 2019, Branch Banking and Trust Company (the “Lender”) executed a modification letter (the “Modification Letter”) to the Loan Agreement (the “Credit Agreement”), dated September 28, 2017, as amended, between Applied Optoelectronics, Inc. (the “Company”) and the Lender.

Pursuant to the Modification Letter, the Lender has agreed in writing, that among other things, (i) the issuance of the Notes (as defined in Item 7.01 below) and the subsequent conversion, including the payment of cash for fractional shares is permitted under the Credit Agreement, (ii) the maximum commitment under the revolving line of credit under the Credit Agreement is \$25,000,000, and (iii) compliance by the Company of its fixed charge coverage covenant and the funded debt to EBITDA covenant under the Credit Agreement is not required, so long as the Company’s utilization of the revolving credit line is not greater than 60% of the available commitment; provided that, such restriction on utilization will not apply during the period of time commencing 7 business days prior to the end of any fiscal quarter through 7 business days after the subsequent fiscal quarter

The foregoing description of the Modification Letter does not purport to be complete and is qualified in its entirety by reference to the Modification Letter, a copy of which the Company expects to file as an exhibit to its Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.

Item 7.01. Regulation FD Disclosure.

On February 27, 2019, the Company announced that it intends to offer to sell, subject to market and other conditions, \$70.0 million aggregate principal amount of Convertible Senior Notes due 2024 (the “Notes”) in an offering (the “Offering”) exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). In connection with the proposed Offering, the Company provided potential investors with a preliminary offering memorandum, dated February 27, 2019 (the “Preliminary Offering Memorandum”). The Preliminary Offering Memorandum contains the following information not previously disclosed by the Company. As of February 22, 2019, the Company’s subsidiaries had approximately \$34.3 million of indebtedness outstanding and the subsidiaries had approximately \$72.3 million of indebtedness and other liabilities, including trade payables but excluding intercompany liabilities.

The information contained in this Item 7.01 of this Current Report on Form 8-K, is being furnished pursuant to Item 7.01. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

This Current Report on Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy the Notes and shall not constitute an offer, solicitation or sale of the Notes in any jurisdiction in which such offering, solicitation or sale would be unlawful. The Notes have not been registered under the Securities Act, and may not be offered or sold absent registration or an applicable exemption from registration requirements.

Item 8.01. Other Events.

On February 27, 2019, the Company issued a press release announcing the proposed Offering. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Press Release issued by Applied Optoelectronics, Inc. on February 27, 2019.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APPLIED OPTOELECTRONICS, INC.

Date: February 27, 2019

By: /s/ David C. Kuo
Name: David C. Kuo
Title: General Counsel and Secretary

Applied Optoelectronics Announces Proposed Private Offering of \$70,000,000 of Convertible Senior Notes due 2024

SUGAR LAND, Texas, February 27, 2019 — Applied Optoelectronics, Inc. (NASDAQ: AAOI) (“AOI”) announced today that it intends to offer to sell, subject to market and other conditions, up to \$70,000,000 aggregate principal amount of Convertible Senior Notes due 2024 (the “Notes”) in an offering exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). AOI also expects to grant the initial purchasers of the Notes a 30-day option to purchase up to an additional \$7,000,000 aggregate principal amount of Notes.

Final terms for the offering of the Notes will be determined at the time of pricing. The notes will be our senior, unsecured obligations and will be equal in right of payment with our existing and future senior, unsecured indebtedness, senior in right of payment to our existing and future indebtedness that is expressly subordinated to the notes and effectively subordinated to our existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness. The Notes will be convertible at the option of holders of the Notes at any time until the close of business on the scheduled trading day immediately preceding the maturity date. Upon conversion, holders of the Notes will receive shares of the Company’s common stock, together, if applicable, with cash in lieu of any fractional share, at the then applicable conversion rate. The Notes will be fully and unconditionally guaranteed, on a senior, unsecured basis, by certain of our future domestic subsidiaries. AOI intends to use a portion of the net proceeds from the offering to fully repay its capital expenditure loan and real estate term loan with Branch Banking and Trust Company and to use the remainder for general corporate purposes.

There can be no assurance that the offering of the Notes will be completed.

The Notes will be sold only to qualified institutional buyers in accordance with Rule 144A under the Securities Act. The offer and sale of the Notes and the shares, if any, issuable upon their conversion have not been registered under the Securities Act, and the Notes and such shares may not be offered or sold without registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions’ securities laws, or in transactions not subject to those registration requirements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes or any other securities, nor shall there be any sale of the Notes or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

Forward-Looking Information

This press release contains forward-looking statements regarding AOI’s expectations concerning the offering of the Notes. These forward-looking statements involve risks and uncertainties, as well as assumptions and current expectations, which could cause the company’s actual results to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include but are not limited to: risks and uncertainties related to the capital markets generally; whether AOI will be able to consummate the offering; the final terms of the offering; the anticipated use of net proceeds of the offering of the Notes which could change as a result of market conditions or for other reasons; and other risks and uncertainties described more fully in the company’s documents filed with or furnished to the Securities and Exchange Commission. More information about these and other risks that may impact the company’s business are set forth in the “Risk Factors” section of the company’s quarterly and annual reports on file with the Securities and Exchange Commission. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “could,” “would,” “target,” “seek,” “aim,” “believe,” “predicts,” “think,” “objectives,” “optimistic,” “new,” “goal,” “strategy,” “potential,” “is likely,” “will,” “expect,” “plan” “project,” “permit”

or by other similar expressions that convey uncertainty of future events or outcomes. You should not rely on forward-looking statements as predictions of future events. All forward-looking statements in this press release are based upon information available to us as of the date hereof, and qualified in their entirety by this cautionary statement. Except as required by law, we assume no obligation to update forward-looking statements for any reason after the date of this press release to conform these statements to actual results or to changes in the company's expectations.

About Applied Optoelectronics

Applied Optoelectronics Inc. (AOI) is a leading developer and manufacturer of advanced optical products, including components, modules and equipment. AOI's products are the building blocks for broadband fiber access networks around the world, where they are used in the internet datacenter, CATV broadband, telecom and FTTH markets. AOI supplies optical networking lasers, components and equipment to tier-1 customers in all four of these markets. In addition to its corporate headquarters, wafer fab and advanced engineering and production facilities in Sugar Land, TX, AOI has engineering and manufacturing facilities in Taipei, Taiwan and Ningbo, China.