
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): January 25, 2017

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

Delaware
(State or 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))
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Item 1.02 Termination of a Material Definitive Agreement.

On January 25, 2017, Applied Optoelectronics, Inc. (the “Company”) entered into an Early Termination Agreement (the “Termination Agreement”) with Chailease Finance Company, Ltd. (the “Bank”), pursuant to which the Purchase and Sale Contract and the Finance Lease Agreement executed on June 30, 2015 (collectively, the “Original Agreements”) were terminated effective on January 13, 2017. Under the terms of the Termination Agreement, the Company also agreed to pay the Bank 37,502,124 New Taiwan Dollars which includes all costs and expenses associated with the early termination, and the Bank agreed to transfer title to the Company of all property contemplated under the Original Agreements.

The foregoing description of the Termination Agreement does not purport to be a complete statement of the parties’ rights and obligations under the Termination Agreement and is qualified in its entirety by reference to the full text of the Termination Agreement 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 1.02 of this Current Report on Form 8-K with respect to the Financing Agreements is incorporated by reference herein and made a part hereof.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	<u>Description</u>
10.1	Translation of Early Termination Agreement, dated January 25, 2017, between Applied Optoelectronics, Inc. and Chailease Finance Company, Ltd.

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: January 30, 2017

Early Termination Agreement

Date: January 25th, 2017

Party A: Prime World International Holdings Ltd., Taiwan Branch

Party B: Chailease Finance Co., Ltd.

Party A and Party B has entered into a "Financing Lease Contract", No. [***] (hereinafter referred to as "Contract"). Upon thorough discussion, both parties hereby agree to terminate Contract before expiration (hereinafter referred to as "Early Termination") pursuant to terms and conditions below:

- Article 1 The duration of the Contract is from June 30th, 2015 to June 30th, 2018. Both parties agree to terminate the Contract on January 13th, 2017 due to the organization restructuring and business change of Party A. All other effective contract documents between both parties shall in no event be affected or impaired. Any new business plan or cooperation demand in the future shall be negotiated amicably by both parties, if any.
- Article 2 After confirming the settlement mutually and through thorough negotiation, both parties agree that Party A shall pay off New Taiwan Dollars 37,502,124 for Early Termination, including the undue rent, liquidated damages and any and all costs and expenses arising from Early Termination.
- Article 3 Party B agrees to transfer and Party A shall obtain the title to the lease object under Contract as of the date Party A has paid off the amount pursuant to Article 2.
- Article 4 This agreement is made in duplicate, with Party A and Party B holding one respectively. Any amendments to this agreement shall be valid only with written consent mutually signed by both parties.

Party A: Prime World International Holdings Ltd., Taiwan Branch
Representative: Shu-Hua (Joshua) Yeh
Address: No.18,Gong 4th Rd., Linkou District, New Taipei City, Taiwan

Party B: Chailease Finance Co., Ltd.
Representative: Chen, Fenglong
Address: 8F-12F, No. 362 Ruiguang Road, Neihu District, Taipei, Taiwan