

ALPHA & OMEGA SEMICONDUCTOR Ltd
Form 8-K
May 11, 2018

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): May 9, 2018

Alpha and Omega Semiconductor Limited
(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------------|---|
| Bermuda | 001-34717 | 77-0553536 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
(Address of principal executive offices)
(408) 830-9742
(Registrant's telephone number, including area code)
N/A
(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))

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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 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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 May 9, 2018 (the “Effective Date”), Chongqing Alpha and Omega Semiconductor Limited (the “JV Company”), a joint venture subsidiary of Alpha and Omega Semiconductor Limited (the “Company”), entered into a lease finance agreement and a security agreement (the “Agreements”) with YinHai Leasing Company and China Import/Export Bank (the “Lenders”). Pursuant to the Agreements, the Lenders agree to provide an aggregate of RMB 400,000,000, or \$62.76 million based on the currency exchange rate between RMB and U.S. Dollars on the Effective Date, of financing to the JV Company (the “Lease Financing”). In exchange for the Lease Financing, the JV Company agrees to transfer title of its assembly and testing equipment to the Lenders, and the Lenders will lease such equipment to the JV Company under a five-year lease arrangement, pursuant to which the Company will make quarterly lease payments to the Lenders consisting of principal and interest based on a repayment schedule mutually agreed by the parties. The interest under the Lease Financing will accrue based on the China Base Rate multiplied by 1.15, or 5.4625% on the Effective Date. The JV Company also agrees to pay an annual leasing fees to the Lenders equal to approximately \$0.64 million and a security deposit of \$0.78 million prior to the commencement of the lease. Under the Agreements, at the end of the five-year lease term, the Lenders agree to sell such equipment back to the JV Company for a nominal amount (RMB 1). The JV Company’s obligations under the Lease Financing are secured by the land and building owned by the JV Company (the “Collateral”). The proceeds from the Lease Financing will be used primarily for the acquisition and installation of the 12” fabrication equipment and other expenses of the JV Company relating to the completion of the fabrication facility located in Chongqing.

The Agreements contain customary representation, warranties and covenants, including restrictions on the transfer of the Collateral. In addition, the Agreements provide that if the Company does not make an additional \$25.00 million of capital contribution to the JV Company within three months of the Effective Date, the Lenders are entitled to receive repayments of all outstanding principal and interest under the Lease Financing, plus certain penalties. The Agreements also contain customary events of default, including but are not limited to, failure to make payments and breach of material terms under the Agreements. The Agreements include certain customary closing conditions, including the payment of deposit by the JV Company.

The foregoing description is a summary and qualified in its entirety by the Agreements, copies of which the Company intends to file as exhibits to its next periodic report to be filed with the Securities and Exchange Commission.

SIGNATURE

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.

Dated: May 11, 2018

Alpha and Omega Semiconductor Limited

By: /s/ Yifan Liang

Name: Yifan Liang

Title: Chief Financial Officer and Corporate Secretary