

AXT INC  
Form 8-K  
October 30, 2006

**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**

## Edgar Filing: AXT INC - Form 8-K

Date of Report (Date of earliest event reported): **October 27, 2006**

**AXT, INC.**

(Exact name of registrant as specified in its charter)

## Delaware

(State or other jurisdiction of incorporation)

**000-24085**

(Commission File Number)

**94-3031310**

(IRS Employer Identification No.)

**4281 Technology Drive  
Fremont, California 94538**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(510) 683-5900**

**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):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

On October 27, 2006, the Compensation Committee of the Board of Directors of AXT, Inc. approved stock option grants to each of the Company's executive officers. The stock option grants are subject to the terms and conditions of the form of Stock Option Agreement previously filed as Exhibit 99.1 to the Company's current report on Form 8-K filed with the Securities and Exchange Commission on September 9, 2005. The exercise price of each of the stock options is \$4.81, the closing price of AXT's common stock on October 27, 2006 as reported by The NASDAQ Global Market. The following table sets forth the number of shares subject to each option grant to the respective executive officers:

| Name                                                                 | Shares Subject to Option Grant |
|----------------------------------------------------------------------|--------------------------------|
| Philip C.S. Yin<br><i>Chief Executive Officer</i>                    | 25,000                         |
| Wilson W. Cheung<br><i>Chief Financial Officer</i>                   | 15,000                         |
| Minsheng Lin<br><i>Chief Operating Officer</i>                       | 15,000                         |
| Davis Zhang<br><i>President, Joint Venture Operations</i>            | 15,000                         |
| John J. Cerilli<br><i>Vice President, Global Sales and Marketing</i> | 15,000                         |

Vesting of each option commenced on October 27, 2006, the date of grant, and continues over four years at the rate of 1/4 on the one-year anniversary of the date of grant, and 1/48th per month thereafter.

***Item 2.02 Results of Operations and Financial Condition***

On October 30, 2006, AXT, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2006. A copy of the Company's press release, announcing the results, is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information in Exhibit 99.1 hereto discussing the Company's results of operations and financial condition for the quarter ended September 30, 2006, is being furnished in accordance with General Instruction B.2 of Form 8-K and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that section, or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing.

***Item 2.06 Material Impairments***

In connection with the evaluation of its real property owned in the United States during the quarter ended September 30, 2006, the Company concluded that it would incur a one-time charge of approximately \$1.4 million to write down the book value of the property to its net realizable value. This action was taken as a result of a fair value analysis of this property obtained by the Company in September 2006 from an independent third-party appraiser. The valuation was obtained upon completion of repair and clean-up efforts and in preparation for listing the property for sale.

***Item 9.01 Financial Statements and Exhibits***

(d) Exhibits

99.1 Press release dated October 30, 2006, regarding the financial results of AXT, Inc. for the quarter ended September 30, 2006.

**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.

**AXT, INC.**

Date: October 30, 2006

By: /s/ wilson w. cheung  
Wilson W. Cheung  
Chief Financial Officer

**EXHIBIT INDEX**

| Exhibit<br>Number | Description                                                                                                                  |
|-------------------|------------------------------------------------------------------------------------------------------------------------------|
| 99.1              | Press release dated October 30, 2006, regarding the financial results of AXT, Inc. for the quarter ended September 30, 2006. |