

Silicon Motion Technology CORP  
Form 20-F  
April 30, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 20-F**

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the fiscal year ended December 31, 2017**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**OR**

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**Date of event requiring this shell company report: N/A**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-51380

**Silicon Motion Technology Corporation**

(Exact name of Registrant as specified in its charter)

**Cayman Islands**

(Jurisdiction of incorporation or organization)

**Unit 04-05, 27/F, #909 Cheung Sha Wan Rd.**

**Cheung Sha Wan, Kowloon**

**Hong Kong**

**Tel: +852 2307 4768**

**Fax: + 852 2307 4368**

(Address of principal executive offices)

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

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
<b>Ordinary shares, par value US\$0.01 per share*</b>	<b>Nasdaq Global Select Market</b>
<b>American Depositary Shares, each representing</b>	
<b>four ordinary shares</b>	

**\*Not for trading, but only in connection with the listing on the Nasdaq Global Select Market of American Depositary Shares, or ADSs, each representing four ordinary shares.**

**Securities registered or to be registered pursuant to Section 12(g) of the Act:**

None

**Securities registered or to be registered pursuant to Section 15(d) of the Act:**

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 143,162,340 ordinary shares as of December 31, 2017, US\$0.01 par value per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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.

The term new or revised financial accounting standard refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012. Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued

Other

by the International Accounting Standards Board

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If ☐ Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.    ☐ Item 17    ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act):   ☐ Yes    ☐ No

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**CONVENTIONS THAT APPLY TO THIS ANNUAL REPORT**

Unless otherwise indicated, references in this annual report to:

ADRs are to the American depositary receipts that evidence our ADSs;

ADSs are to our American depositary shares, each of which represents four of our ordinary shares;

CAGR are to compound annual growth rate;

China or PRC are to the People's Republic of China, excluding the special administrative regions of Hong Kong and Macau;

Korea are to the Republic of Korea, or South Korea;

Korea Won are to the legal currency of South Korea;

Nasdaq are to the Nasdaq Stock Market;

NT dollar, NT dollars or NT\$ are to New Taiwan dollars, the legal currency of Taiwan;

ROC or Taiwan are to the Republic of China, the official name of Taiwan;

shares or ordinary shares are to our ordinary shares, with a par value US\$0.01 per share;

U.S. GAAP are to generally accepted accounting principles in the United States;

U.S. dollar, U.S. dollars or US\$ are to United States dollars, the legal currency of the United States; and

we, us, our company, our, SMTC and Silicon Motion are to Silicon Motion Technology Corporation and its predecessor entities and subsidiaries including but not limited to (i) Silicon Motion Technology (HK) Ltd., incorporated in Hong Kong, (ii) Silicon Motion, Inc., incorporated in Taiwan, or SMI Taiwan, and formerly known as Feiya Technology Corporation, (iii) Silicon Motion, Inc., a California, USA, corporation, or SMI USA, (iv) FCI Inc., incorporated in Korea, or FCI, and (v) Shanghai Baocun Information Technology Co.,

Ltd., incorporated in the PRC, or Shannon Systems.

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Unless otherwise indicated, our financial information presented in this annual report has been prepared in accordance with U.S. GAAP.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This annual report contains forward-looking statements. These forward-looking statements include statements regarding our financial position; our expectations concerning future operations, margins, profitability, liquidity and capital resources; our business strategy and other plans and objectives for future operations; and all other statements that are not historical facts. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, intends, plans, anticipates, believes, thinks, estimates, seeks, predicts, expressions. Although we believe that these statements are based on reasonable assumptions, they are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These factors, risks and uncertainties include those listed under Risk Factors and elsewhere in this annual report. Those factors, among others, could cause our actual results and performance to differ materially from the results and performance projected in, or implied by, the forward-looking statements. They include:

unpredictable volume and timing of customer orders, which are not fixed by contract but vary on a purchase order basis;

the loss of one or more key customers or the significant reduction, postponement, rescheduling or cancellation of orders from these customers;

general economic conditions or conditions in the semiconductor or consumer electronics market;

decreases in the overall average selling prices of our products;

changes in the relative sales mix of our products;

the payment, or non-payment, of cash dividends in the future at the discretion of our board of directors;

changes in our cost of finished goods;

the availability, pricing and timeliness of delivery of other components and raw materials used in our and our customers' products;

our customers' financial health, sales outlook, purchasing patterns and inventory adjustments based on consumer demand, market adoption of new technologies and general economic conditions;

our ability to successfully develop, introduce and sell innovative, new or enhanced products in a timely manner; and



the timing of new product announcements or introductions by us or by our competitors. One or more of these factors could materially and adversely affect our operating results and financial condition in future periods. We cannot assure you that we will attain any meaningful estimates or maintain profitability or that the assumptions on which they are based are reliable.

Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this annual report. All forward-looking statements contained in this annual report are qualified by reference to this cautionary statement. As you read and consider this annual report, you should carefully understand that the forward-looking statements are not guarantees of performance or results.

**Table of Contents****PART I****ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION****Selected Consolidated Financial Data**

You should read the following information with our consolidated financial statements and related notes and Item 5. Operating and Financial Review and Prospects included elsewhere in this annual report.

The selected consolidated statements of income and cash flow data for the years ended December 31, 2015, 2016 and 2017 and the selected consolidated balance sheet data as of December 31, 2016 and 2017 are derived from our audited consolidated financial statements included elsewhere in this annual report and should be read in conjunction with, and are qualified in their entirety by reference to, these consolidated financial statements and related notes. The selected consolidated statements of income for the years ended December 31, 2013 and 2014 and the selected consolidated balance sheet data as of December 31, 2013, 2014 and 2015 are derived from our audited consolidated financial statements which are not included in this annual report. To reflect our early adoption of the new accounting update on the statement of cash flows, we retrospectively adjusted the selected consolidated statements of cash flow data for the years ended December 31, 2013 and 2014, which are not derived from our audited consolidated financial statements included in our prior annual reports. These consolidated financial statements are prepared in accordance with U.S. GAAP.

	Year Ended December 31,				
	2013	2014	2015	2016	2017
	US\$	US\$	US\$	US\$	US\$
(in thousands, except for per share data)					
Consolidated Statements of Income Data:					
Net sales	225,308	289,323	361,297	556,146	523,404
Cost of sales	118,698	139,625	176,765	281,541	272,210
Gross profit	106,610	149,698	184,532	274,605	251,194
Operating expenses:					
Research and development	46,460	60,949	71,161	92,405	102,053
Sales and marketing	13,597	16,324	20,173	25,765	25,868
General and administrative	11,250	13,355	15,714	17,072	16,933
Amortization of intangible assets			1,051	2,103	2,534

Impairment of goodwill					10,337
Gain from disposal of noncurrent assets held for sale					(1,880)
Total operating expenses	71,307	90,628	108,099	137,345	155,845
Operating income	35,303	59,070	76,433	137,260	95,349
Total non-operating income	1,845	1,498	2,067	1,370	3,652
Income before income taxes	37,148	60,568	78,500	138,630	99,001
Income tax expense	9,772	16,101	18,249	27,690	24,046
Net income	27,376	44,467	60,251	110,940	74,955
Weighted average shares outstanding:					
Basic	132,259	134,604	138,100	140,919	142,738
Diluted	134,567	136,787	139,634	142,050	143,606
Earnings per share:					
Basic	0.21	0.33	0.44	0.79	0.53
Diluted	0.20	0.33	0.43	0.78	0.52
Earnings per ADS <sup>(1)</sup> :					
Basic	0.83	1.32	1.75	3.15	2.10
Diluted	0.81	1.30	1.73	3.12	2.09

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(1) Each ADS represents four ordinary shares.

	As of December 31,				
	2013	2014	2015	2016	2017
	US\$	US\$	US\$	US\$	US\$
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	161,720	194,211	180,519	274,483	359,453
Other current assets	83,541	96,229	134,657	202,417	209,344
Working capital	204,594	234,374	226,889	330,914	391,553
Long-term investments	133	133	133	120	
Property and equipment, net	30,195	35,537	50,469	47,892	51,370
Goodwill and intangible assets, net	35,474	35,467	75,990	73,883	66,393
Other non-current assets	5,700	4,957	3,860	7,231	7,172
Total assets	316,763	366,534	445,628	606,026	693,732
Total liabilities	46,066	62,434	101,130	163,263	199,681
Total shareholders' equity	270,697	304,100	344,498	442,763	494,051

	As of December 31,				
	2013	2014	2015	2016	2017
	As Adjusted	As Adjusted	As Adjusted		
	US\$	US\$	US\$	US\$	US\$
	(in thousands)				
Consolidated Cash Flow Data:					
Net cash provided by operating activities	49,128	68,725	65,946	125,568	103,881
Net cash used in investing activities <sup>(1)</sup>	(12,726)	(11,596)	(58,458)	(8,220)	(14,548)
Net cash provided by (used in) financing activities	(29,493)	(19,710)	(20,271)	2,194	(31,740)
Depreciation and amortization	6,429	6,917	8,987	11,585	13,133
Capital expenditures	(12,772)	(11,596)	(23,664)	(12,220)	(11,683)

(1)