

SH: 603160

GOODIX

Shenzhen Goodix Technology Co., Ltd.

2018 Annual Report Summary



Important Notes

1.1. This annual report summary is extracted from the full text of annual report (hereinafter referred to as the “2018 Annual Report” or “Annual Report”). To comprehensively understand the operating results, financial position and future development plans of Shenzhen Goodix Technology Co., Ltd. (hereinafter referred to as “Goodix”), investors should carefully read the full text of the Annual Report, which is available on the media designated by China Securities Regulatory Commission.

1.2. The board of directors (hereinafter referred to as the “Board”), the supervisory committee (hereinafter referred to as the “Supervisory Committee”), the directors, the supervisors and senior management of Goodix guarantee the authenticity, accuracy and completeness of the content of the Annual Report, in which there are no false representations, misleading statements or material omissions, and are severally and jointly liable for its content.

1.3. The Board of Goodix considered the 2018 Annual Report together with its summary. All directors attended the meeting. This report was approved unanimously at the meeting.

1.4. The 2018 financial report prepared by Goodix was audited by Da Hua Certified Public Accountants according to the PRC standards on auditing with the issue of the auditors’ report with unqualified opinions.

1.5. Zhang Fan (Goodix CEO), Chen Heng-chen (Goodix CFO) and He Fang(the accountant in charge) guarantee the authenticity, accuracy and completeness of the financial report contained in the 2018 Annual Report.

Basic Corporate Information

Corporate Profile

Stock Code	603160	
Stock Exchange on which the Shares are Listed	Shanghai Stock Exchange	
Contact Person and Means of Contact	Secretary to the Board	Representative of Securities Affairs
Name	Wang Li	Cheng Xiaohua
Office Address	Floor 8, Building 4D, Software Industry Base, Haitian 1st Road, Nanshan District, Shenzhen, Guangdong, the PRC	Floor 8, Building 4D, Software Industry Base, Haitian 1st Road, Nanshan District, Shenzhen, Guangdong, the PRC
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Major Accounting Data and Financial Indicators

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the years ended December 31, 2018 and December 31, 2017)

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Items	Jan-Dec, 2018	Jan-Dec, 2017
1. Operating revenue	3,721,291,685.55	3,681,594,308.56
Less: Operating cost	1,779,389,760.16	1,946,883,120.97
Taxes and surcharges	38,622,745.48	32,043,459.99
Selling expenses	322,112,612.59	222,536,263.07
Administrative expenses	86,044,409.07	60,506,504.54
Research and development expenses	838,327,764.76	596,663,936.37
Finance expenses	-1,256,894.99	-13,707,546.92
Including: Interest expense	3,113,214.91	144,370.32
Interest income	12,746,557.34	15,790,237.02
Impairment on assets	100,122,831.79	124,011,459.53
Add: Investment income	64,796,643.84	170,405.67
Proceeds from asset disposal		73,731.44
Other income	125,296,565.28	247,294,143.76
2. Operating profits	748,021,665.81	960,195,391.88
Add: non-operating income	320,128.19	1,164,459.56
Less: non-operating expenses	2,189,918.59	811,475.15
3. Profit before tax	746,151,875.41	960,548,376.29
Less: income tax	3,653,229.39	73,605,580.31
4. Net profit	742,498,646.02	886,942,795.98
Net profit contributed before the combination under common control		
I. Profit classified as continuity		
Continuous operating profit and loss	742,498,646.02	886,942,795.98
II. Profit classified as ownership		
Net profit attributable to owners of the parent	742,498,646.02	886,942,112.90
Profit/loss attributable to minority shareholders		683.08
5. Other comprehensive income after tax	-7,179,983.31	-2,318,757.59
Other comprehensive income after tax attributable to owner of the parent	-7,179,983.31	-2,318,757.59
I. Comprehensive income not to be reclassified as profit or loss		
II. Comprehensive income to be reclassified as profit or loss	-7,179,983.31	-2,318,757.59
i. Currency translation reserve	-7,179,983.31	-2,318,757.59
Other comprehensive income attributable to minority share-holders after tax		
6. Total comprehensive income	735,318,662.71	884,624,038.39
Total comprehensive income attributable to owner of the parent	735,318,662.71	884,623,355.31
Total comprehensive income attributable to minority shareholders		683.08
7. Earnings per share:		
I. Basic earnings per share	1.65	1.95
II. Diluted earnings per share	1.62	1.96

Consolidated Financial Statement of Position

(As of December 31, 2018 and December 31, 2017)

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Assets	December 31, 2018	December 31, 2017
Current assets:		
Cash and cash equivalents	583,433,563.53	1,240,849,269.03
Notes receivables and trade receivables, net	1,039,921,176.80	1,097,097,218.24
Inventories	403,371,105.51	525,629,028.04
Prepayments	12,681,054.39	3,588,277.37
Other receivables	3,388,847.88	20,951,607.31
Other current assets	2,508,319,969.10	1,170,243,633.44
Total current assets	4,551,115,717.21	4,058,359,033.43
Non-current assets:		
Investment property	57,964,190.13	60,104,800.85
Fixed assets	169,203,257.10	159,632,579.35
Construction in progress	75,019,112.18	31,652,809.01
Intangible assets	116,666,599.14	63,436,937.67
Goodwill	43,307,014.37	1,720,475.59
Long-term deferred expenses	2,744,465.10	4,579,979.43
Deferred tax assets	48,531,129.61	33,600,723.08
Other non-current assets	280,669,853.33	4,852,720.87
Total non-current assets	794,105,620.96	359,581,025.85
Total assets	5,345,221,338.17	4,417,940,059.28

Consolidated Financial Statement of Position(Continue)

(As of December 31, 2018 and December 31, 2017)

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Liabilities and Stockholders' Equity	December 31, 2018	December 31, 2017
Current liabilities:		
Notes payables and trade payables	321,733,800.60	279,622,312.30
Advances from customers	69,752.87	188,626.87
Employee benefits payable	158,429,175.28	100,181,845.86
Taxes payable	117,379,510.26	27,267,374.34
Dividends payable		
Other payables	610,425,461.45	504,633,339.12
Total current liabilities	1,208,037,700.46	911,893,498.49
Non-current liabilities:		
Deferred income	14,094,638.29	18,620,144.88
Deferred tax liabilities	15,618,831.54	1,667,339.94
Total non-current liabilities	29,713,469.83	20,287,484.82
Total liabilities	1,237,751,170.29	932,180,983.31
Equity:		
Paid-in capital	456,651,659.00	454,258,322.00
Capital reserve	1,453,159,530.81	1,274,182,397.50
Less: treasury shares	465,643,712.49	444,306,872.78
Other comprehensive income	-8,848,336.73	-1,668,353.42
Legal reserve	228,325,829.50	227,129,161.00
Undistributed earnings	2,443,825,197.79	1,976,164,421.67
Equity attributable to owners of the parent	4,107,470,167.88	3,485,759,075.97
Total owner's equity	4,107,470,167.88	3,485,759,075.97
Total liabilities and owner's equity	5,345,221,338.17	4,417,940,059.28

Consolidated Statement of Cash Flows

(As of December 31, 2018 and December 31, 2017)

(The currency of the statements are Chinese Yuan, 'CNY', unless otherwise indicated)

Items	Jan-Dec, 2018	Jan-Dec, 2017
1.Cash flows from operating activities		
Cash received from sales and services	4,240,567,204.17	4,306,951,801.87
Taxes and surcharges refunds	169,970,232.45	332,528,925.95
Other cash received from operating activities	86,514,173.35	41,377,873.15
Total cash inflows from operating activities	4,497,051,609.97	4,680,858,600.97
Cash paid for goods and services	2,012,842,905.37	2,463,266,912.43
Cash paid for employees related expense	521,443,478.61	376,668,559.62
Taxes and surcharges cash payments	234,161,527.13	376,888,896.46
Other cash payments related to operating activities	496,505,629.79	359,693,532.38
Total cash outflows from operating activities	3,264,953,540.90	3,576,517,900.89
Cash generated from operating activities	1,232,098,069.07	1,104,340,700.08
2.Cash flows from investing activities		
Cash received from withdraw of investments	6,850,000,000.00	
Cash received from investment income	64,796,643.84	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,152.00
Total cash inflows from investing activities	6,914,796,643.84	1,152.00
Cash paid for fixed assets, intangible assets and other long-term assets	362,539,161.52	71,257,963.64
Cash payments for investments	8,200,000,000.00	1,150,000,000.00
Net cash payments for acquisitions of subsidiaries and other business units	63,269,326.39	
Total cash outflows from investing activities	8,625,808,487.91	1,221,257,963.64
Net cash used in investing activities	-1,711,011,844.07	-1,221,256,811.64
3.Cash flows from financing activities		
Cash received from investments by others	132,172,692.20	444,306,872.78
Cash received from borrowings	103,490,578.81	
Other cash received from other financing activities	30,700.20	2,014,601.36
Total cash inflows from financing activities	235,693,971.21	446,321,474.14
Cash repayments for debts	104,364,067.46	
Cash payments for distribution of dividends, profit and interest expenses	276,706,010.80	178,000,000.00
Other cash payments related to financing activities	39,972,671.22	5,367,098.19
Total cash outflows from financing activities	421,042,749.48	183,367,098.19
Net cash provided by financing activities	-185,348,778.27	262,954,375.95
4.Effect of changes in exchange rate on cash and cash equivalents	6,846,847.77	-8,749,305.26
5.Net increase in cash and cash equivalents	-657,415,705.50	137,288,959.13
Add: Cash and cash equivalents at the beginning of the year	1,240,849,269.03	1,103,560,309.90
6.Cash and cash equivalents at the end of the year	583,433,563.53	1,240,849,269.03