



瑞聲科技控股有限公司

AAC TECHNOLOGIES HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 02018)

Revenue 9M and Q3 2017 Up 43% and 27% YoY respectively

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**Non-acoustic 9M and Q3 Revenue increased 79% and 29% respectively
Acoustic 9M and Q3 Revenue increased 21% and 17% respectively**

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9M EPS grew 43% YoY, Annualized ROE up to 31.2%

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Accelerating Capital Investment on Optics

(10 November 2017, Hong Kong) **AAC Technologies Holdings Inc.** today announced its unaudited results for the nine months ended 30 September 2017, reporting revenue for the period of RMB13,967.8 million and net profit of RMB3,492.7 million. The highlights and business review in the Results Announcement share more insights of the performance.

2017 Nine Months Highlights (unaudited):

- Record first nine months revenue and net profit, up 43% and 42% year-on-year respectively;
- Gross profit and net profit margin at 41.1% and 25.0% respectively;
- Non-acoustic segment, grew 79% year-on-year, accounting for 47% of total sales; acoustic segment continued to deliver growth of 20% year-on-year;
- Good progress on optical business development, unique innovative solutions (WLG) much welcomed by market. All monthly production capacity of 10M of plastic lens becoming monthly shipment volume. Accelerating CAPEX for further capacity expansion;
- Annualized ROE at 31.2%, up from 27.5% of same period of 2016;
- Earnings per share for 9 months up 43% year-on-year to RMB2.85.

	9M	9M		3Q	3Q	
<i>(RMB Million)</i>	2017	2016	YoY%	2017	2016	YoY%
Revenue	13,968	9,770	+43%	5,324	4,207	+27%
Gross Profit	5,741	4,048	+42%	2,199	1,759	+25%
<i>Gross Profit Margin</i>	41.1%	41.4%	-0.3ppt	41.3%	41.8%	-0.5ppt
Net Profit	3,493	2,455	+42%	1,366	1,100	+24%
<i>Net Profit Margin</i>	25.0%	25.1%	-0.1ppt	25.7%	26.2%	-0.5ppt
Share Numbers						
<i>(Weighted average, million)</i>	1,226	1,228		1,222	1,228	
Basic EPS (RMB)	2.85	2.00	+43%	1.12	0.90	+25%

Business Review

AAC Technologies continued to report new highs in both sales and earnings for the nine months ended 30 September 2017. The revenue and net profit rose 43% and 42% year-on-year to RMB13,967.8 million and RMB3,492.7 million respectively, due to solid growth across all major business segments. Sales of the acoustic segment increased by 20% year-on-year, contributing 48% of total revenue, with growth mainly driven by increasing shipments of major products and the increase in the ASP caused by wider adoption of higher specification acoustic solutions, namely stereo sound designs and waterproof features. The non-acoustic business grew 79% year-on-year, accounting for 47% of total revenue, representing greater penetration of our unique solutions into more new customers and the growth of ASP on upgrading design on this segment. New platforms started in the latter half of the third quarter and overall gross profit margin achieved 41.1%. Increased R&D investment incurred mostly in the new acoustic and optics directions to deliver innovative designs for customers and R&D expenses rose 39% year-on-year, representing 8.2% of revenue. Net profit margin was 25.0% and basic earnings per share was up 43% to RMB2.85 per share.

Being the start of the high traditional season, the third quarter would be packed with new flagship smartphone launches across different major brand names. Due to product mix improvement, strong growth in major platforms shipments has largely outperformed the overall smartphone market growth. Q3 revenue rose 27% year-on-year to RMB5,323.5 million, a new Q3 record. Acoustic sales recorded a growth of 17% to RMB2,522.5 million in Q3 compared to the same quarter of 2016, representing 47% of total revenue. Non-acoustic business grew by 29% year-on-year, contributing over 45% of total revenue in the third quarter of 2017. High profitability was maintained for Q3 with gross and net profit margin at 41.3% and 25.7% respectively.