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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)

RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2017

The board (the “**Board**”) of directors (the “**Director(s)**”) of AAC Technologies Holdings Inc. (“**AAC Technologies**” or the “**Company**”) is pleased to announce the unaudited condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 31 March 2017 (the “**Unaudited Quarterly Results**”) to enable shareholders, investors and the public to better appraise its position and business performance.

The Unaudited Quarterly Results were reviewed by the Company’s audit and risk committee and approved by the Board on 12 May 2017.

2017 First Quarter Highlights (unaudited):

- Most profitable Q1 in the Company’s history;
- Revenue up 66% year-on-year with strong growth across core business lines;
- RF Mechanical and Haptics, the non-acoustic segment, grew 225% year-on-year, accounting for 52% of total sales;
- Dynamic components rose 14% year-on-year and delivered 45% of total sales;
- Gross margin and net margin improved 1.1ppt and 0.9ppt respectively compared to the corresponding prior-year quarter; and
- Earnings per share for Q1 up 72% year-on-year to RMB0.86.

<i>(RMB Million)</i>	1Q 2017	1Q 2016	YoY%	4Q 2016	QoQ%
Revenue	4,215	2,545	+66%	5,737	-27%
Gross Profit	1,754	1,031	+70%	2,394	-27%
<i>Gross Profit Margin</i>	41.6%	40.5%	+1.1ppt	41.7%	-0.1ppt
Net Profit	1,062	619	+72%	1,571	-32%
<i>Net Profit Margin</i>	25.2%	24.3%	+0.9ppt	27.4%	-2.2ppt
Basic EPS (RMB)	0.86	0.50	+72%	1.28	-32%

BUSINESS REVIEW

AAC Technologies built on the momentum of last year with a strong start to 2017. During the January to March period, revenue was up 66% year-on-year to RMB4,215 million. This is the highest Q1 sales the Company has ever reported. Our industry-leading acoustic business delivered another quarter of growth domestically and internationally. Upgraded acoustic solutions with higher dollar-content drove dynamic components sales growth of 14% year-on-year, contributing 45% of total sales. In the non-acoustic segment, the Company enjoyed another robust performance this quarter. Sales of RF Mechanical and Haptics soared 225% year-on-year and accounted for 52% of total sales. Gross margin improved 1.1ppt year-on-year, rising to 41.6% because of a better product mix. Net profit grew 72% year-on-year amounting to RMB1,062 million, mainly driven by effective control of operating expenses. The management continues to aim for growth and continuous improvement, enabling outperformance of the market the Company operates in.

The first quarter is a seasonal quiet period following Christmas and Chinese New Year holidays with fewer ramp-ups and launches of new smart devices. For this first quarter of 2017, the Company's revenue declined sequentially by 27% against the strong fourth quarter results in 2016. Nonetheless, in this quarter, the Company received persistent encouraging market response to its upgraded acoustic solutions especially stereo and waterproof features. The Company continues to build a strong technology foundation for its non-acoustic segments. As in the previous quarter, in the first quarter the contributions from the non-acoustic business continued to exceed acoustics revenue.

The business fundamentals driving the Company are progressing in line with our expectations, and the performance this quarter demonstrates that the Company is on track to achieve its financial and operational objectives. We remain confident in our ability to successfully execute our long-term growth strategies by leveraging on our industry leading market position, our R&D and innovation capabilities, our unique technology solutions and our vertically integrated manufacturing operations. We strive to create shareholder value through disciplined management and financial prudence.

IMPORTANT NOTE

Shareholders and potential investors should be advised that these Unaudited Quarterly Results relate only to selected unaudited key performance indicators of the Group and are based on the Group's internal records and management accounts. The Unaudited Quarterly Results have not been reviewed or audited by independent auditors and are not a forecast of the performance of the Group as a whole.

Investors and shareholders of the Company are advised to exercise extreme caution when dealing in the shares of the Company.

PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The performance and the results of operation of the Group as set out in this document are historical in nature and past performance is not a guarantee of future performance. This document may contain certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this results announcement of the Company; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2017

	1.1.2017 to 31.3.2017 Unaudited RMB'000	1.1.2016 to 31.3.2016 Unaudited RMB'000
Revenue	4,215,065	2,544,746
Cost of goods sold	(2,461,126)	(1,513,255)
Gross profit	1,753,939	1,031,491
Other income	33,138	29,765
Distribution and selling expenses	(61,010)	(57,144)
Administrative expenses	(125,858)	(98,601)
Research and development costs	(337,034)	(227,003)
Share of results of associates	(1,418)	(1,497)
Loss on disposal of an available-for-sale investment	(441)	-
Exchange loss	(3,684)	(3,830)
Finance costs	(31,737)	(9,499)
Profit before taxation	1,225,895	663,682
Taxation	(164,300)	(44,509)
Profit for the period	1,061,595	619,173
Other comprehensive expense:		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation	(19,388)	(2,466)
Total comprehensive income for the period	1,042,207	616,707
Profit for the period attributable to:		
Owners of the Company	1,061,552	618,707
Non-controlling interests	43	466
	1,061,595	619,173
Total comprehensive income (expense) attributable to:		
Owners of the Company	1,042,280	616,458
Non-controlling interests	(73)	249
	1,042,207	616,707
Earnings per share - Basic	RMB86.45 cents	RMB50.38 cents

By order of the Board
AAC Technologies Holdings Inc.
Koh Boon Hwee
Chairman

Hong Kong, 12 May 2017

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Benjamin Zhengmin Pan and Mr. Mok Joe Kuen Richard; a non-executive Director, namely Ms. Ingrid Chunyuan Wu; and four independent non-executive Directors, namely Mr. Koh Boon Hwee, Mr. Poon Chung Yin Joseph, Dato' Tan Bian Ee and Ms. Chang Carmen I-Hua.

The English text of this announcement shall prevail over the Chinese text in case of any inconsistency.