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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 NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 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 10 November 2017.

#### 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, our 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.

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

## **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.

## **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 announcement are historical in nature and past performance is not a guarantee of future performance. This announcement 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 nine months ended 30 September 2017*

	<b>1.1.2017 to 30.9.2017 Unaudited RMB'000</b>	1.1.2016 to 30.9.2016 Unaudited RMB'000
Revenue	<b>13,967,842</b>	9,770,250
Cost of goods sold	<b>(8,227,263)</b>	(5,721,866)
Gross profit	<b>5,740,579</b>	4,048,384
Other income	<b>127,852</b>	120,402
Distribution and selling expenses	<b>(234,622)</b>	(202,014)
Administrative expenses	<b>(415,447)</b>	(338,013)
Research and development costs	<b>(1,139,098)</b>	(821,709)
Share of results of associates	<b>(5,910)</b>	(5,792)
Loss on disposal of an available-for-sale investment	<b>(441)</b>	-
Exchange (loss) gain	<b>(20,599)</b>	17,288
Finance costs	<b>(111,783)</b>	(39,103)
Profit before taxation	<b>3,940,531</b>	2,779,443
Taxation	<b>(447,303)</b>	(325,273)
Profit for the period	<b>3,493,228</b>	2,454,170
Other comprehensive income (expense):		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Fair value changes on available-for-sale investments	<b>283,487</b>	-
Exchange differences arising from translation	<b>(115,462)</b>	46,445
Total comprehensive income for the period	<b>3,661,253</b>	2,500,615
Profit (loss) for the period attributable to:		
Owners of the Company	<b>3,492,675</b>	2,455,037
Non-controlling interests	<b>553</b>	(867)
	<b>3,493,228</b>	2,454,170
Total comprehensive income (expense) attributable to:		
Owners of the Company	<b>3,660,772</b>	2,501,676
Non-controlling interests	<b>481</b>	(1,061)
	<b>3,661,253</b>	2,500,615
Earnings per share - Basic	<b>RMB2.85</b>	RMB2.00

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

Hong Kong, 10 November 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.*