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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 2016

The board of directors (the “**Board**”) 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 2016 (the “**Unaudited Results**”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

The Unaudited Results were reviewed by the Company’s audit committee and approved by the Board on 14 November 2016.

Financial Highlights for the Nine Months ended 30 September 2016 (unaudited):

- Record nine months revenue, up 24% year-on-year, with solid gross profit margin of 41.4%;
- Strong growth across core business lines in the nine months of 2016. On a year-on-year basis, dynamic components rose 30% and delivered 57% of total sales, whereas non-acoustic solutions grew 34%, accounting for 38% of total sales;
- Achieved a more balanced customer portfolio. Sales revenue from Chinese customers contributed over 40% of total sales in the nine months of 2016;
- Net profit margin achieved 25.1% with EPS up 17% year-on-year; and
- Annualized ROE: 27.5% vs 10-year average of 27.0%.

<i>(RMB Million)</i>	9M 2016	9M 2015	<i>YoY%</i>	3Q 2016	2Q 2016	3Q 2015	<i>QoQ%</i>	<i>YoY%</i>
Revenue	9,770	7,891	+24%	4,207	3,019	3,184	+39%	+32%
Gross Profit	4,048	3,278	+24%	1,759	1,258	1,324	+40%	+33%
<i>Gross Profit Margin</i>	41.4%	41.5%	-0.1pt	41.8%	41.7%	41.6%	+0.1pt	+0.2pt
Net Profit	2,455	2,096	+17%	1,100	736	851	+50%	+29%
<i>Net Profit Margin</i>	25.1%	26.6%	-1.5pt	26.2%	24.4%	26.7%	+1.8pt	-0.5pt
Basic EPS (RMB)	2.00	1.71	+17%	0.90	0.60	0.69	+50%	+29%

BUSINESS REVIEW

AAC Technologies recorded historical highs in both quarterly sales and earnings for the three months ended 30 September 2016. The Company reported 3Q 2016 net profit of RMB1,100.2 million, or RMB0.9 per share, representing a quarter-on-quarter increase of 50%. Revenue was up 39% sequentially to RMB4,206.7 million. A new quest for upgrading audio quality of smart devices drove dynamic components sales up by 25% quarter-on-quarter, contributing 51% of total sales. The non-acoustic segment enjoyed continued growth momentum. Sales grew by 63% against 2Q 2016, accounting for 45% of total sales. Overall gross profit margin improved to 41.8%. Through better control of operating expenses, net profit margin improved 180 basis points to 26.2% compared with the previous quarter. These 3Q results reflected strong performance across the Group and the sustained progress of effective cost control. The Group's strategy, executed over the course of 2016, contributed these results.

During the nine months of 2016, revenue and net profit rose 24% and 17% year-on-year to RMB9,770.3 million and RMB2,455.0 million respectively due to solid growth attained across all major business lines. Sales of dynamic components increased by 30% year-on-year, contributing 57% of total sales. Non-acoustic segment achieved 34% year-on-year sales growth, accounting for 38% of total sales. Overall gross profit margin stabilised at 41.4%, achieved from a new business mix that included important new product lines. The Company achieved a more balanced customer portfolio and generated robust sales from Chinese customers, up 57% year-on-year, and constituting over 40% of total sales. The Company continues to invest in R&D and such expenses increased to 8.4% of sales. Net profit margin achieved in the nine months was 25.1% and basic earnings per share was up 17%. Continued momentum in non-acoustic solutions coupled with the leading technology position of the acoustic business delivered these strong results and a 27.5% annualized return on equity for the nine months of 2016.

Looking ahead, 4Q 2016 is the traditional peak season, driven by higher demand from the Company's diverse customer base. Starting in 2017, a major trend expected to benefit the Company would be an upgrade of acoustics with increasing adoption of speaker boxes, stereo solutions and waterproof features. Meanwhile, consistent enhancement of RF Mechanical, haptics and optics solutions should enable the Company to penetrate new areas more effectively. AAC Technologies will capture the promising market opportunities by bolstering R&D, offering a wider range of innovative products and solutions under our multi-platform business model.

IMPORTANT NOTE

Shareholders and potential investors should note that the Unaudited 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 Results have not been reviewed or audited by independent auditors and are not a forecast of the annual 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.

FORWARD LOOKING STATEMENTS

This results 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 2016

	1.1.2016 to 30.9.2016 Unaudited RMB'000	1.1.2015 to 30.9.2015 Unaudited RMB'000
Revenue	9,770,250	7,890,606
Cost of goods sold	(5,721,866)	(4,612,923)
Gross profit	4,048,384	3,277,683
Other income	120,402	109,283
Distribution and selling expenses	(202,014)	(167,922)
Administrative expenses	(338,013)	(366,356)
Research and development costs	(821,709)	(579,570)
Share of results of associates	(5,792)	(3,267)
Exchange gain	17,288	52,198
Gain on disposal of a subsidiary	-	4,411
Finance costs	(39,103)	(13,655)
Profit before taxation	2,779,443	2,312,805
Taxation	(325,273)	(214,216)
Profit for the period	2,454,170	2,098,589
Other comprehensive income:		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation	46,445	29,768
Total comprehensive income for the period	2,500,615	2,128,357
Profit (loss) for the period attributable to:		
Owners of the Company	2,455,037	2,096,204
Non-controlling interests	(867)	2,385
	2,454,170	2,098,589
Total comprehensive income (expense) attributable to:		
Owners of the Company	2,501,676	2,126,035
Non-controlling interests	(1,061)	2,322
	2,500,615	2,128,357
Earnings per share - Basic	RMB199.92 cents	RMB170.70 cents

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

Hong Kong, 14 November 2016

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.