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INTERESTS AND SHORT POSITIONS OF THE DIRECTORS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

The Company was listed on 9th August, 2005. No disclosure of beneficial interests or short positions of Directors or chief executives in any shares or underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) were made to the Company under the provisions of Divisions 7 and 8 of Part XV of the SFO as of 30th June, 2005.

As at 18th August, 2005, after the Listing and after the exercise of the over-allotment option by the global co-ordinator, the beneficial interests and short positions of the Directors and chief executive in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Name of Director/Chief Executive	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding
Mr. Benjamin Zhengmin Pan ⁽¹⁾	Beneficial owner, interest of children under 18; trustee and interest of controlled corporation	637,092,532	51.05%
Ms. Ingrid Chunyuan Wu ⁽²⁾	Beneficial owner, interest of children under 18 and trustee	637,092,532	51.05%
Mr. Yang Dong Shao ⁽³⁾	Interest of controlled corporation	51,215,988	4.10%
Mr. Koh Boon Hwee	Beneficial owner	1,307,562	0.10%
Mr. Li Xiang	Beneficial owner	61,941,887	4.96%

Notes:

- (1) Mr. Benjamin Zhengmin Pan ("Mr. Pan") beneficially owns 218,520,634 shares. Mr. Pan is also deemed or taken to be interested in the following shares for the purposes of the SFO:
- (i) 49,645,440 shares which are beneficially owned by Silver Island Limited, a company 100% owned by Mr. Pan;
 - (ii) 75,220,434 shares which are deemed to be beneficially owned by Mr. Pan, as trustee of the Benjamin Zhengmin Pan 2005 Annuity Trust dated 18th June, 2005;
 - (iii) 8,656,996 shares which are deemed to be beneficially owned by Mr. Pan and Ms. Ingrid Chunyuan Wu's ("Ms. Wu") descendants, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10th May, 2005. Both children of Mr. Pan and Ms. Wu are under the age of 18; and
 - (iv) 285,049,028 shares which are beneficially owned by Ms. Wu as Mr. Pan is Ms. Wu's spouse.
- (2) Ms. Wu beneficially owns 209,828,594 shares. Ms. Wu is also deemed or taken to be interested in the following shares for the purposes of the SFO:
- (i) 75,220,434 shares which are deemed to be beneficially owned by Ms. Wu, as trustee of the Ingrid Chunyuan Wu 2005 Annuity Trust dated 18th June, 2005;

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- (ii) 8,656,996 shares which are deemed to be beneficially owned by Mr. Pan and Ms. Wu's descendents, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10th May, 2005. Both children of Mr. Pan and Ms. Wu are under the age of 18; and
 - (iii) 343,386,508 shares beneficially owned by Mr. Pan, as Ms. Wu is Mr. Pan's spouse.
- (3) Mr. Yang Dong Shao has 50% management control over any decisions made by Chengwei Ventures Shanghai LLC in connection with the investment made through its controlled corporations in the Company and therefore, Mr. Yang Dong Shao is deemed or taken to be interested in the 51,215,988 shares which are beneficially owned by Chengwei AAC Holdings Ltd for the purposes of the SFO.

Save as disclosed above, as at 18th August, 2005, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

The Company was listed on 9th August, 2005. No disclosure of beneficial interests or short positions in any shares or underlying shares of the Company were made to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as of 30th June, 2005.

As at 18th August, 2005, after the completion of the Listing and after the exercise of the over-allotment option by the global co-ordinator, the Directors were not aware of any persons (who are not Directors or chief executive) who had an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who has interest in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

SHARE OPTION SCHEME

As at the date of this report, no options had been granted or agreed to be granted or outstanding under Share Option Scheme of the Company (the "SO Scheme"). For details of the SO Scheme, please refer to the Prospectus.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations" and "Share option scheme", at no time during the Period was the Company, its subsidiaries or any of its associated corporations (within the meaning of Part XV of the SFO) a party to any arrangements to enable the directors of the Company or their associates (as defined in the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

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PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Since the Listing, the Company has not redeemed any of its shares, and neither the Company nor any of its subsidiaries has purchased or sold any of the Shares of the Company.

CORPORATE GOVERNANCE

From the date of the Listing to the date of this report, the Company has complied with the code provisions of the "Code on Corporate Governance Practices" as set out in Appendix 14 to the Listing Rules (the "CG Code").

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms not less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Listing Rules.

All Directors have confirmed that, in respect of the period from the date of the Listing to the date of this report, they have complied with the required standard as set out in the Model Code and the Company's code of conduct regarding Directors' securities transaction.

BOARD COMMITTEES

Audit Committee

The Board has established an Audit Committee on 16th April, 2005. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group.

The Audit Committee comprises two independent non-executive Directors, namely, Mr. Mok Joe Kuen Richard and Mr. Koh Boon Hwee and a non-executive Director, Ms. Ingrid Chunyuan Wu. Mr. Mok Joe Kuen Richard is the chairman of the Audit Committee.

The Audit Committee and the auditors of the Company, Deloitte Touche Tohmatsu, have reviewed and discussed with the management regarding the Company's unaudited consolidated interim financial statements for the six months ended 30th June, 2005.

Remuneration Committee

The Board has established a remuneration committee on 16th April, 2005 in compliance with the CG Code. The remuneration committee will make recommendations to the Board on the remuneration of executive Directors and determine on behalf of the Board specific remuneration packages and conditions of employment for our Directors. Members of the remuneration committee include Mr. Koh Boon Hwee, Dr. Dick Mei Chang and Dr. Thomas Kalon Ng. Mr. Koh Boon Hwee is the chairman of the remuneration committee.

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Nomination Committee

The Board has established a nomination committee on 16th April, 2005 in compliance with the CG Code. The nomination committee will make recommendations to the Board on the appointment of executive Directors and senior management. Members of the nomination committee include Dr. Dick Mei Chang, Mr. Mok Joe Kuen Richard and Mr. Yang Dong Shao. Dr. Dick Mei Chang is the chairman of the nomination committee.

By Order of the Board
AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.
Koh Boon Hwee
Chairman

Hong Kong, 5th September, 2005