

Chairman Statement

Dear Shareholders,

Year 2005 was a very successful year for AAC Acoustic Technologies Holdings Inc. (“AAC Acoustic” or the “Company”).

The Company and its subsidiaries (the “Group”) made good progress in its business development, enhancing its market leadership and reputation, widening its product range, strengthening its research and development capabilities, and establishing strategic relationships with leading global OEMs. In addition, the Company’s listing (the “Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 9th August, 2005 met with overwhelming support from international capital markets. Net proceeds of HK\$703.8 million were raised to strengthen the Group’s financial position and to fund its future development. Since the Listing, the Company has endeavoured to meet the highest levels of professional standards, including transparency for shareholders and best practices of corporate governance. We remain confident in the Group’s business development strategy and its future outlook.

For the year ended 31st December, 2005, the Group delivered encouraging financial results. Consolidated turnover increased by 71.3% to RMB1,073.7 million, and net profit grew by 68.4% to RMB332.9 million, as compared to the previous year.

During the year under review, the Group fully leveraged on its research and development capabilities to secure its leading position in the industry. The Group grew faster than its peers and continued to be one of the top players in the industry. In addition, new handset models being introduced incorporated new platforms with more value added acoustic features. These trends are driving the growth in demand for miniature acoustic components and are considered beneficial to the Group.

The Chinese economy has been growing rapidly in recent years, while people’s purchasing power has increased dramatically. All these offer a favorable operating environment for the Group. The market for miniature acoustic components has been growing rapidly due to increasing demand for mobile phone handsets, MP3 players and consumer handheld devices. The Group remains optimistic about its business in future years.

The Group will continue to emphasize on research and development in order to create new products and platforms customized to meet customer demands and needs. The Group will work with customers to ensure that its components are “designed in”. The Group will also work and co-operate with professional elites through its Nanjing technical support center.

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I would like to take this opportunity to express my heartfelt gratitude to all of the staff of the Group for their dedication and hard work. They made 2005 a year to remember. I would also like to thank my fellow Board members for their invaluable advice during the year. With the continued support of our customers, we can look forward to the Group's continued growth. Finally, our goal is to ensure that we continue to do well for our shareholders.

Koh Boon Hwee

Chairman

6th April, 2006