

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES AND UNDERLYING SHARES

As at 30th June, 2006, the beneficial interests of the directors and chief executives in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance (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 Divisions 7 and 8 of Part XV of the SFO (including interests or short positions) which they are taken or deemed to have taken such provisions of the SFO and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (the "Model Code"), were as follows:

Long positions in ordinary shares of US\$0.01 each of the Company:

Name of director/chief executive	Personal interests	Corporate interests	Other interests	Total number of shares	Percentage of the Company's issued share capital
Mr. Benjamin Zhengmin Pan ("Mr. Pan") ⁽¹⁾	218,520,634	49,645,440	83,877,430	352,043,504	28.21%
Ms. Ingrid Chunyuan Wu ("Ms. Wu") ⁽²⁾	209,828,594	—	83,877,430	293,706,024	23.53%
Mr. Yang Dong Shao ⁽³⁾	—	43,968,443	—	43,968,443	3.52%
Mr. Koh Boon Hwee	1,307,562	—	—	1,307,562	0.10%
Mr. Li Xiang	48,441,887	—	—	48,441,887	3.88%

Notes:

- (1) Mr. Pan beneficially owns 218,520,634 shares. Mr. Pan is also deemed or taken to be interested in the following shares:
- (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; and
 - (iii) 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.
- (2) Ms. Wu beneficially owns 209,828,594 shares. Ms. Wu is also deemed or taken to be interested in the following shares:
- (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; and
 - (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.

Other Information

- (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 43,968,443 shares which are beneficially owned by Chengwei AAC Holdings Ltd.

Other than as disclosed above, as at 30th June, 2006, none of the directors or chief executives had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2006, the register of interests and short positions kept by the Company under section 336 of the SFO showed that the following persons held interests or short positions in the Company's shares:

Name of Shareholder	Number of Shares	Percentage of the Company's issued share capital
Mr. Pan ⁽¹⁾	637,092,532(L)	51.05%(L)
Ms. Wu ⁽²⁾	637,092,532(L)	51.05%(L)
J.P. Morgan Chase & Co. ⁽³⁾	199,281,864(L)	15.97%(L)
	37,092,000(P)	2.97%(P)
Credit Suisse Group ⁽⁴⁾	93,600,000(L)	7.50%(L)
	93,600,000(S)	7.50%(S)

- (1) Mr. Pan beneficially owns 218,520,634 shares. Mr. Pan is also deemed or taken to be interested in the following shares:
- (i) 49,645,440 shares which are beneficially owned by Silver Island Limited, a company 100% owned by Mr. Pan;
 - (ii) 285,049,028 shares which are beneficially owned by Ms. Wu as Mr. Pan is Ms. Wu's husband;
 - (iii) 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; and
 - (iv) 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.

Other Information

- (2) Ms. Wu beneficially owns 209,828,594 shares. Ms. Wu is also deemed or taken to be interested in the following shares:
- (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;
 - (ii) 343,386,508 shares which are beneficially owned by Mr. Pan as Ms. Wu is Mr. Pan's wife; and
 - (iii) 8,656,996 shares which are deemed to be beneficially owned by Mr. Pan and Ms. Wu's 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.
- (3) J.P. Morgan Chase & Co. through its various controlled corporations is interested in an aggregate of 199,281,864 shares of the Company.

Of these 199,281,864 shares, 37,092,000 shares are directly held by JP Morgan Chase Bank, N.A., J.P. Morgan Chase & Co. is deemed to be interested in these 37,092,000 shares by virtue of its 100% interest in JP Morgan Chase Bank, N.A.; 1,492,000 shares are directly held by JF Asset Management Limited, by virtue of JP Morgan Asset Management (Asia) Inc.'s 100% interest in JF Asset Management Limited, JP Morgan Asset Management Holdings Inc.'s 100% interest in JP Morgan Asset Management (Asia) Inc. and J.P. Morgan Chase & Co.'s 100% interest in JP Morgan Asset Management Holdings Inc., JP Morgan Asset Management (Asia) Inc., JP Morgan Asset Management Holdings Inc. and J.P. Morgan Chase & Co. are deemed to be interested in these 1,492,000 shares; 159,097,864 shares are directly held by J.P. Morgan Investment Management Inc., by virtue of JP Morgan Asset Management Holdings Inc.'s 100% interest in J.P. Morgan Investment Management Inc. and J.P. Morgan Chase & Co.'s 100% interest in JP Morgan Asset Management Holdings Inc., JP Morgan Asset Management Holdings Inc. and J.P. Morgan Chase & Co. are deemed to be interested in these 159,097,864 shares; 1,600,000 shares are directly held by J.P. Morgan Securities Ltd., by virtue of J.P. Morgan Chase International Holdings Limited's 98.95% interest in J.P. Morgan Securities Ltd., J.P. Morgan Chase (UK) Holdings Limited's 100% interest in J.P. Morgan Chase International Holdings Limited, J.P. Morgan Capital Holdings Limited's 100% interest in J.P. Morgan Chase (UK) Holdings Limited, J.P. Morgan International Finance Limited's 72.72% interest in J.P. Morgan Capital Holdings Limited, Bank One International Holdings Corporation's 100% interest in J.P. Morgan International Finance Limited, J.P. Morgan International Inc.'s 100% interest in Bank One International Holdings Corporation, JP Morgan Chase Bank, N.A.'s 100% interest in J.P. Morgan International Inc. and J.P. Morgan Chase & Co.'s 100% interest in JP Morgan Chase Bank, N.A., J.P. Morgan Chase International Holdings Limited, J.P. Morgan Chase (UK) Holdings Limited, J.P. Morgan Capital Holdings Limited, J.P. Morgan International Finance Limited, Bank One International Holdings Corporation, J.P. Morgan International Inc., J.P. Morgan Chase Bank, N.A. and J.P. Morgan Chase & Co. are deemed to be interested in these 1,600,000 shares.

Comprising 37,092,000 shares in the lending pool as described in the SFO. The term "lending pool" is defined as (i) shares that the approved lending agent holds as agent for a third party which he is authorised to lend and other shares that can be lent according to the requirements of the Securities Borrowing and Lending Rules; and (ii) shares that have been lent by the approved lending agent and only if the right of the approved lending agent to require the return of the shares has not yet been extinguished.

Other Information

- (4) By virtue of Credit Suisse Group's 100% interest in Credit Suisse, Credit Suisse's 100% interest in Credit Suisse First Boston (International) Holdings AG, Credit Suisse First Boston (International) Holdings AG's 100% interest in Credit Suisse First Boston International (Guernsey) Limited and 70.2% interest in Credit Suisse First Boston (Hong Kong) Limited; and Credit Suisse First Boston International (Guernsey) Limited also owns 29.8% interest in Credit Suisse First Boston (Hong Kong) Limited, each of Credit Suisse Group, Credit Suisse and Credit Suisse First Boston (International) Holdings AG is deemed to be interested in 93,600,000 shares in the Company directly held by Credit Suisse First Boston (Hong Kong) Limited.

Save as the interests and short positions disclosed above, as at 30th June, 2006, so far as was known to any director of the Company, no other persons had an interest or short position in the shares, equity derivatives, underlying shares or debenture of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed in the Company's special general meeting held on 15th July, 2005, the Company approved and adopted a share option scheme (the "SO Scheme") which will expire at its tenth anniversary. For details of the SO Scheme, please refer to the prospectus of the Company dated 28th July, 2005.

During the six months ended 30th June, 2006, no options had been granted or agreed to be granted or outstanding under the SO Scheme of the Company.

ARRANGEMENTS TO PURCHASE SHARES OF DEBENTURES

At no time during the six months ended 30th June, 2006 was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th June, 2006, there was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

During the six months ended 30th June, 2006, the Company has complied with the code provisions of the “Code on Corporate Governance Practices” (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

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 standards set out in the Model Code.

All Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions during the six months ended 30th June, 2006.

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 condensed consolidated interim financial statements for the six months ended 30th June, 2006.

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.

Other Information

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, 2006