AAC Acoustic Technologies Holdings Inc.
瑞声声学科技控股有限公司*

(incorporated in the Cayman Islands with limited liability)
Stock Code: 02018

Interim Report 2010

* For identification purpose only

Contents

Corporate Information

DIRECTORS

Executive Directors
Mr. Benjamin Zhengmin Pan
(Chief Executive Officer)
Mr. Mok Joe Kuen Richard

Non-executive Directors
Ms. Ingrid Chunyuan Wu
Mr. Pei Kang (Retired on 22nd May, 2010)

Independent Non-executive Directors
Mr. Koh Boon Hwee (Chairman)
Mr. Poon Chung Yin Joseph
Dato' Tan Bian Ee
Ms. Chang Carmen I-Hua
(Appointed on 3rd May, 2010)

COMPANY SECRETARY
Mr. Lo Tai On (Appointed on 7th August, 2010)
Mr. Cheung Yuk Chuen
(Resigned on 7th August, 2010)

AUDIT COMMITTEE
Mr. Poon Chung Yin Joseph (Chairman)
Mr. Koh Boon Hwee
Ms. Ingrid Chunyuan Wu

REMUNERATION COMMITTEE
Mr. Koh Boon Hwee (Chairman)
Dato' Tan Bian Ee
Ms. Chang Carmen I-Hua
(Appointed on 3rd May, 2010)
Mr. Pei Kang (Resigned on 3rd May, 2010)

NOMINATION COMMITTEE
Dato' Tan Bian Ee (Chairman)
Mr. Poon Chung Yin Joseph
Ms. Chang Carmen I-Hua
(Appointed on 3rd May, 2010)
Mr. Pei Kang (Resigned on 3rd May, 2010)

AUTHORIZED REPRESENTATIVES
Mr. Benjamin Zhengmin Pan
Mr. Mok Joe Kuen Richard

AUDITOR
Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE
Cricket Square, Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PLACE OF BUSINESS IN HONG KONG
Unit 2003, 20/F.
100 Queen's Road Central
Central, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Bank of Bermuda (Cayman) Limited
P.O. Box 513
Strathvale House North Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS
Industrial and Commercial Bank of China,
Shenzhen Nantou Sub-branch
Bank of China, Wujin Sub-branch
The Hongkong and Shanghai Banking
Corporation Ltd, Hung Hom Branch

STOCK CODE
02018

WEBSITE
www.aacacoustic.com

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th June, 2010

The board (the "Board") of directors (the "Director(s)") of AAC Acoustic Technologies Holdings Inc. (the "Company" or "AAC") is pleased to announce the interim financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30th June, 2010 together with the unaudited comparative figures for the corresponding period in 2009. The interim financial information have not been audited, but have been reviewed by the auditors, Deloitte Touche Tohmatsu, and the Company's audit committee (the "Audit Committee").

	NOTES	1.1.2010 to 30.6.2010 (Unaudited) RMB'000	1.1.2009 to 30.6.2009 (Unaudited) RMB'000
Revenue	3	**1,333,941**	826,066
Cost of goods sold		**(745,743)**	(479,556)
Gross profit		**588,198**	346,510
Other income		**23,772**	12,760
Fair value gain on foreign exchange linked notes		**–**	48
Net fair value gain on foreign currency forward contracts		**21,091**	6,262
Gain on disposal of a subsidiary		**–**	1,369
Distribution and selling expenses		**(44,312)**	(32,823)
Administrative expenses		**(71,829)**	(47,181)
Research and development costs		**(89,069)**	(71,087)
Finance costs		**(961)**	(2,831)
Profit before taxation	4	**426,890**	213,027
Taxation	5	**(43,215)**	(22,768)
Profit for the period		**383,675**	190,259
Other comprehensive income and expense:			
Exchange differences arising from translation		**(6,430)**	(383)
Reserves released on disposal of a subsidiary		**–**	2,971
Other comprehensive income and expense		**(6,430)**	2,588
Total comprehensive income and expense for the period		**377,245**	192,847
Profit for the period attributable to:			
Owners of the Company		**382,344**	193,825
Non-controlling interests		**1,331**	(3,566)
		383,675	190,259
Total comprehensive income and expense for the period attributable to:			
Owners of the Company		**376,027**	196,392
Non-controlling interests		**1,218**	(3,545)
		377,245	192,847
Earnings per share – Basic	7	**RMB31.14 cents**	RMB15.78 cents

Condensed Consolidated Statement of Financial Position

At 30th June, 2010

	NOTES	30.06.2010 (Unaudited) RMB'000	31.12.2009 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	8	**1,444,314**	1,364,170
Goodwill		**5,405**	5,405
Prepaid lease payments		**66,493**	67,122
Deposits made on acquisition of property, plant and equipment		**28,969**	29,904
Available-for-sale investments		**27,676**	27,676
Interests in associates	9	**75,264**	–
Intangible assets		**23,212**	26,708
		1,671,333	1,520,985
Current assets			
Inventories		**298,650**	230,206
Trade and other receivables	10	**914,383**	729,162
Amounts due from related companies		**14,625**	19,180
Foreign currency forward contracts	11	**13,035**	6,322
Taxation recoverable		**2,118**	2,169
Restricted bank deposits		**13,688**	10,430
Bank balances, deposits and cash		**1,855,160**	1,735,212
		3,111,659	2,732,681
Current liabilities			
Trade and other payables	12	**596,063**	481,960
Amounts due to related companies		**24,888**	8,965
Taxation payable		**42,833**	37,977
Foreign currency forward contracts		**–**	2,912
Short-term bank loans	13	**373,980**	187,095
		1,037,764	718,909
Net current assets		**2,073,895**	2,013,772
		3,745,228	3,534,757
Capital and reserves			
Share capital	14	**99,718**	99,718
Reserves		**3,643,911**	3,434,658
Equity attributable to owners of the Company		**3,743,629**	3,534,376
Non-controlling interests		**1,599**	381
		3,745,228	3,534,757

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2010

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Capital reserve RMB'000	Translation reserve RMB'000	Non-distributable reserve RMB'000	PRC statutory reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1st January, 2009 (audited)	99,718	746,957	(7,469)	23,391	(26,118)	87,245	151,040	2,033,004	3,107,768	7,435	3,115,203
Exchange differences arising from translation	–	–	–	–	(404)	–	–	–	(404)	21	(383)
Reserves released on disposal of a subsidiary	–	–	–	–	2,971	–	–	–	2,971	–	2,971
Profit for the period	–	–	–	–	–	–	–	193,825	193,825	(3,566)	190,259
Total comprehensive (expense) income for the period	–	–	–	–	2,567	–	–	193,825	196,392	(3,545)	192,847
Dividends paid	–	–	–	–	–	–	–	(117,991)	(117,991)	–	(117,991)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	(3,027)	(3,027)
Contribution from minority interests	–	–	–	–	–	–	–	–	–	1,000	1,000
Transfers	–	–	–	–	–	–	500	(500)	–	–	–
At 30th June, 2009 (unaudited)	99,718	746,957	(7,469)	23,391	(23,551)	87,245	151,540	2,108,338	3,186,169	1,863	3,188,032
At 1st January, 2010 (audited)	99,718	746,957	(7,469)	23,391	(18,591)	87,245	163,693	2,439,432	3,534,376	381	3,534,757
Exchange differences arising from translation	–	–	–	–	(6,317)	–	–	–	(6,317)	(113)	(6,430)
Profit for the period	–	–	–	–	–	–	–	382,344	382,344	1,331	383,675
Total comprehensive (expense) income for the period	–	–	–	–	(6,317)	–	–	382,344	376,027	1,218	377,245
Dividends paid	–	–	–	–	–	–	–	(166,774)	(166,774)	–	(166,774)
Transfers	–	–	–	–	–	–	2,196	(2,196)	–	–	–
At 30th June, 2010 (unaudited)	99,718	746,957	(7,469)	23,391	(24,908)	87,245	165,889	2,652,806	3,743,629	1,599	3,745,228

As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the PRC subsidiaries of the Company are required to maintain a statutory surplus reserve fund and an enterprise expansion fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation of the statutory financial statements of the PRC subsidiaries of the Company and the allocation basis are decided by their board of directors annually. The PRC statutory reserves comprise the statutory surplus reserve and enterprise expansion fund. The statutory surplus reserve fund can be used to make up the PRC subsidiaries prior year losses, if any, and can be applied in conversion into capital by means of a capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries of the Company by means of capitalisation issue.

The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of the paid-in capital of subsidiaries acquired pursuant to the Group's reorganisation in preparation for the listing of the Company's shares.

The non-distributable reserve of the Group arose as a result of capitalisation of retained profits by subsidiaries of the Company.

The capital reserve represents the discount on acquisition of a subsidiary deemed as a capital contribution from a shareholder.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June, 2010

	1.1.2010 to 30.6.2010 (Unaudited) RMB'000	1.1.2009 to 30.6.2009 (Unaudited) RMB'000
Net cash from operating activities	**338,882**	326,294
Net cash used in investing activities		
Deposits paid on acquisition of property, plant and equipment	**(28,969)**	(39,990)
Acquisition of available-for-sale investments	**–**	(27,676)
Acquisition of interests in associates	**(75,264)**	–
Purchase of property, plant and equipment	**(140,395)**	(44,022)
Additions to intangible assets	**–**	(2,650)
Proceed from disposal of a subsidiary, net of cash and cash equivalents disposed of	**–**	1,366
Other investing cash flows	**7,762**	(2,381)
	(236,866)	(115,353)
Net cash from (used in) financing activities		
Short-term loans raised	**343,458**	20,498
Repayment of short-term loans	**(155,272)**	(29,753)
Dividend paid	**(166,774)**	(117,991)
Capital contribution from minority interests of a subsidiary	**–**	1,000
Other financing cash flows	**(961)**	(3,331)
	20,451	(129,577)
Net increase in cash and cash equivalents	**122,467**	81,364
Cash and cash equivalents at 1st January	**1,735,212**	1,266,011
Effect of foreign exchange rate changes	**(2,519)**	(1,117)
Cash and cash equivalents at 30th June, represented by bank balances, deposits and cash	**1,855,160**	1,346,258

1. BASIS OF PREPARATION

The interim financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

The interim financial information have been prepared under the historical cost basis, except for certain financial instruments which are measured at fair values.

The accounting policies used in the interim financial information are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31st December, 2009, except as described below.

In the current interim period, the Group acquired a 31.95% equity interest in a private company incorporated in Denmark and a 39.15% equity interest in a private company incorporated in the Cayman Islands, for a total consideration of RMB75,264,000. The accounting policy adopted is as follows:

Interest in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in the interim financial information using the equity method of accounting. Under the equity method, investments in associates are carried in the condensed consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the group discontinues recognising its share of future losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Interest in associates – continued

Any excess of the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities over the cost acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new and revised IFRSs").

International Financial Reporting Standards ("IFRS") 3 (Revised) "Business Combinations"

The Group applies IFRS 3 prospectively to business combinations for which the acquisition date is on or after 1st January, 2010. The requirements in IAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1st January, 2010. As there was no transaction during the current interim period in which IFRS 3 (Revised) and IAS 27 (Revised) are applicable, the application of IFRS 3 (Revised), IAS 27 (Revised) and the consequential amendments to other IFRSs had no effect on the interim financial information of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which IFRS 3 (Revised), IAS 27 (Revised) and the consequential amendments to the other IFRSs are applicable.

Amendment to IAS 17 "Leases"

As part of the improvements to IFRSs issued in 2009, IAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to IAS 17, the Group was required to classify leasehold land as operating leases and the Group presented the prepayment as prepaid lease payments in the consolidated statement of financial position. The amendment to IAS 17 has removed such a requirement that leasehold land must be classified as operating leases. The amendment requires that the classification of leasehold land should be based on the general principles set out in IAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee. In accordance with the transitional provisions set out in the amendment to IAS 17, the Group reassessed the classification of unexpired leasehold land as at 1st January, 2010 based on information that existed at the inception of the leases. After reassessment, the Directors of the Company concluded that no reclassification was necessary.

The application of the new and revised IFRSs has had no effect on the interim financial information of the Group for the current or prior accounting periods.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Amendment to IAS 17 "Leases" – continued

The Group has not early applied the following new and revised IASs, IFRSs, amendments or interpretations ("INT") that have been issued but are not yet effective.

IFRSs (Amendments)	Improvements to IFRSs 2010[1]
IAS 24 (Revised)	Related Party Disclosures[4]
IAS 32 (Amendment)	Classification of Rights Issues[2]
IFRS 1 (Amendment)	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters[3]
IFRS 9	Financial Instruments[5]
IFRIC 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments[3]

1 Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate.
2 Effective for annual periods beginning on or after 1st February, 2010.
3 Effective for annual periods beginning on or after 1st July, 2010.
4 Effective for annual periods beginning on or after 1st January, 2011.
5 Effective for annual periods beginning on or after 1st January, 2013.

* IFRIC represents Interpretations developed by the IFRS Interpretations Committee.

IFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. This standard requires all recognised financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of IFRS 9 might affect the classification and measurement of the Group's financial assets.

The Directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The chief operating decision maker of the Group has been identified as the Chief Executive Officer ("CEO").

The Group determines its operating segments based on the internal reports reviewed by the CEO that are used to make strategic decisions.

3. SEGMENT INFORMATION (CONTINUED)

An analysis of the Group's revenue and results by operating segments is as follows:

	1.1.2010 to 30.6.2010 RMB'000 (Unaudited)	1.1.2009 to 30.6.2009 RMB'000 (Unaudited)
Operating segments		
Segment revenue		
Dynamic components	**943,106**	638,379
Microphones	**136,610**	52,706
Headsets	**132,688**	89,341
Other products	**121,537**	45,640
Group revenue	**1,333,941**	826,066
Segment results		
Dynamic components	**481,647**	309,108
Microphones	**41,200**	9,331
Headsets	**40,075**	21,092
Other products	**25,276**	6,979
Total profit for operating segments	**588,198**	346,510
Unallocated amounts:		
Interest income	**10,910**	8,190
Finance costs	**(961)**	(2,831)
Other income	**33,953**	12,249
Distribution and selling expenses	**(44,312)**	(32,823)
Administrative expenses	**(71,829)**	(47,181)
Research and development costs	**(89,069)**	(71,087)
Profit before taxation	**426,890**	213,027

No analysis of the Group's assets by operating segments is disclosed as it is not regularly provided to the CEO for review.

Segment profit represents the profit earned by each segment without allocation of finance costs, interest income, administration costs, research and development costs, distribution and selling expenses and other income.

4. PROFIT BEFORE TAXATION

	1.1.2010 to 30.6.2010 RMB'000 (Unaudited)	1.1.2009 to 30.6.2009 RMB'000 (Unaudited)
Profit before taxation has been arrived at after charging:		
Allowance for doubtful debts	**–**	5,157
Amortisation of intangible assets (included in cost of goods sold)	**3,403**	3,321
Depreciation	**89,085**	77,831
Loss on disposal of property, plant and equipment, net	**3**	867

5. TAXATION

	1.1.2010 to 30.6.2010 RMB'000 (Unaudited)	1.1.2009 to 30.6.2009 RMB'000 (Unaudited)
The charge comprises:		
PRC Income Tax	**38,005**	19,416
Overseas taxation	**5,210**	3,352
	43,215	22,768

Pursuant to the relevant laws and regulations in PRC, certain PRC subsidiaries are entitled to exemption from PRC income tax for the two years commencing from their first profit making year of operation and thereafter, these PRC subsidiaries will be entitled to a 50% relief from PRC income tax for the following three years ("Tax Holiday"). The Tax Holiday will expire gradually up to 2012.

No deferred tax liability has been recognised in respect of temporary differences associated with undistributed earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

6. DIVIDENDS

During the period, a final dividend for the year ended 31st December, 2009 of HK15.5 cents (2008 final dividend: HK10.9 cents) per share was already paid to shareholders.

The Directors resolved to declare an interim dividend of HK14.2 cents per share (2009 interim dividend: HK7.2 cents) which will be paid to the shareholders of the Company.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30th June, 2010 is based on the profit for the period attributable to owners of the Company of RMB382,344,000 (for the six months ended 30th June, 2009: RMB193,825,000) and on the 1,228,000,000 (for the six months ended 30th June, 2009: 1,228,000,000) number of shares in issue during the period.

8. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group made additions to property, plant and equipment of approximately RMB170 million (for the six months ended 30th June, 2009: RMB100 million) on acquisition of property, plant and equipment, including transfers from deposits of approximately RMB30 million (for the six months ended 30th June, 2009: RMB56 million).

9. INTEREST IN ASSOCIATES

In June 2010, the Group acquired a 31.95% equity interest in a private company incorporated in Denmark and a 39.15% equity interest in a private company incorporated in the Cayman Islands, for a total consideration of RMB75,264,000. The associates are engaged in wafer-lever glass molding and the design and manufacture of Xenon-based flash lamp and flash modules used in consumer camera photography.

10. TRADE RECEIVABLES

Payment terms with customers are mainly on credit. Invoices are normally payable from 45 days to 120 days of issuance. The Group may accept bank acceptance bills with maturities ranging from 30 days to 180 days at the end of the credit terms in lieu of payment. The following is an aged analysis of trade receivables at the end of reporting period, net of allowance for doubtful debts:

	30.6.2010 RMB'000 (Unaudited)	31.12.2009 RMB'000 (Audited)
Age		
Not yet due	**605,020**	517,821
Overdue 0-90 days	**100,223**	124,596
Overdue 91-180 days	**–**	516
Overdue over 180 days	**1,367**	1,471
	706,610	644,404

11. FOREIGN CURRENCY FORWARD CONTRACTS

The Group entered into a number of foreign currency forward contracts ("Forward Contracts") with certain banks to: sell Euro47 million for United States dollar ("US$") at pre-determined rates ranging from US$1.300 to US$1.500 for Euro1. The Forward Contracts will be settled at various dates up until May 2011, provided that the spot rate does not fall below an agreed rate (the "Knock-Out Rate"). At any time prior to maturity of the Forward Contracts, if the spot rate falls below the Knock-Out Rate, the Forward Contracts will be terminated.

In addition, the Group entered into certain Forward Contracts with banks to: buy US$10 million for RMB at pre-determined rates ranging from RMB6.6253 to RMB6.7605 for US$ 1; and sell US$10 million for RMB at pre-determined rates ranging from RMB6.7220 to RMB6.8060 for US$ 1.

11. FOREIGN CURRENCY FORWARD CONTRACTS (CONTINUED)

The Forward Contracts are not designated and effective as a hedging instrument. Therefore, the fair value gains or losses are recognised in profit or loss in the period in which they arise. At 30th June, 2010, the fair value of the Forward Contracts are determined by the respective issuing banks with reference to forward rates.

12. TRADE PAYABLES

The following is an aged analysis of trade payables at the end of reporting period:

	30.6.2010 RMB'000 (Unaudited)	31.12.2009 RMB'000 (Audited)
Age		
Not yet due	**455,435**	332,312
Overdue 0-90 days	**7,619**	1,878
Overdue 91-180 days	**1,088**	144
Overdue over 180 days	**1,169**	1,439
	465,311	335,773

13. SHORT-TERM BANK LOANS

During the period, the Group raised new short-term bank loans of RMB343 million (for the six months ended 30th June, 2009: RMB20 million) and made repayments of RMB155 million (for the six months ended 30th June, 2009: RMB30 million). The short-term bank loans are unsecured and carry interest ranging from 0.45% to 1.0% per annum over London Inter-bank Offered Rate (as at 31st December, 2009: unsecured and carry interest ranging from 0.8% to 1.0% per annum over London Inter-bank Offered Rate).

14. SHARE CAPITAL

	Number of shares	Amount US$'000
Shares of US$0.01 each		
Authorised:		
Ordinary shares at 1st January, 2010 and 30th June, 2010	5,000,000,000	50,000
Issued and fully paid:		
Ordinary shares at 1st January, 2010 and 30th June, 2010	1,228,000,000	12,280
		RMB'000
At 30th June, 2010		99,718

15. CAPITAL COMMITMENTS

	30.6.2010 RMB'000 (Unaudited)	31.12.2009 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the interim financial information in respect of the acquisition of property, plant and equipment	**111,290**	43,112

16. RELATED PARTY TRANSACTIONS

Apart for the transactions disclosed elsewhere in this report, during the period the Group had the following significant transactions with related parties:

Relationship of related parties	Nature of transactions	1.1.2010 to 30.6.2010 RMB'000 (Unaudited)	1.1.2009 to 30.6.2009 RMB'000 (Unaudited)
Companies controlled by close family members of the Directors of the Company	Purchase of raw materials by the Group	**28,312**	16,957
	Property rentals paid by the Group	**2,993**	3,111
	Sales of raw materials by the Group	**1,540**	596
Close family members of the Directors of the Company	Property rentals paid by the Group	**1,257**	1,299
Substantial shareholders	Property rentals paid by the Group	**282**	278

During the period, the emoluments paid to the key management personnel of the Company, who represent the Directors of the Company, was RMB3,516,000 (for the six months ended 30th June, 2009: RMB3,156,000).

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF
AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 14, which comprises the condensed consolidated statement of financial position of AAC Acoustic Technologies Holdings Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30th June, 2010 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). The directors are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
30th August, 2010

OVERVIEW

AAC is one of the world's leading technology total solution provider in miniature acoustic components. Adopting a vertically integration approach, our Company designs, manufactures and distributes a comprehensive suite of receivers, speakers, speaker modules, multi-function devices, microphones, transducers and headsets for use in mobile handsets, game consoles, notebook computers and other consumer electronics devices such as electronic book-readers, MP3 players and MP4 players.

Along with continuous development of in-house intellectual property, we have been strengthening our technology portfolio through mergers and acquisitions investments. During the first half of 2010, we have made two other strategic investments. The first investment is Kaleido Technology ApS ("Kaleido"), an industry-leader in wafer-level glass molding technology and the second one is a joint venture company, Xenon Technologies (Cayman) Limited ("Xenon Technologies"), a market leader in the design and manufacture of Xenon-based flash lamp and flash modules used in consumer camera photography.

Our management team is committed to seeking appropriate investment targets globally for companies and technologies that further broaden and strengthen the Company's existing technology base in acoustic and other micro-components solutions segments.

MARKET REVIEW

The worldwide economy continued to improve in the first half of 2010 with a notable recovery continuing from the latter half of 2009. We reported solid results for the first quarter having increased business with our existing customers. In addition, we continue to acquire international well-known brands to our existing customer portfolio. Our market share has increased within the mobile handset industry, particularly in the smart phone segment. The Company delivered and sustained healthy financial performance and strong revenue growth during the first half of 2010.

In order to diversify risks and maximize our potential, the Company expanded its market reach to include areas other than acoustic components solutions and mobile handset industry. Our new microphone and vibrator components have been successfully adopted by our major mobile handset customers. Our solutions and markets continue to expand to notebooks, personal navigation devices, digital cameras and camcorders, MP3 and MP4 players, eBooks and LED backlight LCD TVs.

The Company remains committed to advance our leadership in technology, and the development of in-house intellectual property. In the first half of 2010, we have successfully obtained 75 additional patents bringing our total portfolio of 289 patents, and we filed another 128 patents pending, which brings to 366 patents pending by the end of the first half of 2010.

FINANCIAL REVIEW

We continued to gain growth momentum after starting off with the seasonality pattern at the beginning of 2010. Compared to the corresponding period of previous year, the Group delivered strong growth. Our revenue for the six months ended 30th June, 2010 amounted to RMB1,333.9 million, representing an increase of 61.5% from RMB826.1 million for the corresponding period of previous year. Gross profit amounted to RMB588.2 million, representing an increase of 69.8% from RMB346.5 million for the corresponding period of 2009. Profit attributable to owners of the Company amounted to RMB382.3 million, representing an increase of 97.3% from RMB193.8 million for the corresponding period of 2009. Basic earnings per share amounted to RMB31.14 cents, representing an increase of 97.3% from RMB15.78 cents for the corresponding period of 2009.

GEARING RATIO

The gearing ratio of the Group, computed by dividing the short-term bank loans by the total assets, as at 30th June, 2010 was 7.8% compared with 5.0% as at 30th June, 2009.

INDEBTEDNESS

As at 30th June, 2010, the Group had RMB374.0 million of short-term bank loans compared with RMB187.1 million as at 31st December, 2009.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30th June, 2010, the Group had RMB1,855.2 million in cash and cash equivalents. In addition, the Group had restricted short-term bank deposits of RMB13.7 million. The Group had no long-term debt as at 30th June, 2010. The management believes the Group's current cash and cash equivalents, together with available credit facilities and expected cash flow from operations, will be sufficient to satisfy the current operational requirements capital of the Group.

FOREIGN EXCHANGE

The majority of the Group's investments, sales, purchases and operating expenses were denominated in RMB, US dollars, Japanese yen, Hong Kong dollars and Euro. The Board believes that the Group has been and will continue to be exposed to foreign currency exchange risks. The Group does not have a formal hedging policy. In the past and during the first half of 2010, in view of the Group's investments, our management team has entered into foreign currency contracts to minimise the effect of exchange rate fluctuations between Euro and the US dollars. Management will continue to closely monitor such risks and hedge against significant foreign currency exposure when appropriate.

CHARGES ON GROUP ASSETS

As at 30th June, 2010 and 30th June, 2009, the Group has no asset under charge to any financial institution.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the period, the Group acquired a 31.95% equity interest in Kaleido, a private company incorporated in Denmark and invested in a 39.15% of share capital in Xenon Technologies, a private company incorporated in the Cayman Islands, for a total consideration of RMB75,264,000.

Other than as disclosed above, the Group had no material acquisition or disposal of any subsidiaries and associated companies for the six months ended 30th June, 2010.

INVESTMENTS IN TECHNOLOGY AND NEW PRODUCTS

During the first half of 2010, we have made two strategic investments in technology and new products, which are disclosed as material acquisitions of associated company. The first investment is a strategic initial 31.95% equity investment in Kaleido, a Danish wafer-level glass molding technological company, which designs and manufactures ultra-precise micro-optics products of displays and imaging lenses. Its proprietary precision micro-milling and wafer-glass molding technologies provide highly cost-effective manufacturing of all-glass aspheric lenses, ideal for wafer-scale integration and is widely applicable in micro-optical applications. The second investment, completed in June 2010, is a 39.15% equity in Xenon Technologies, a joint venture company which designs and manufactures Xenon-based flash lamp and flash modules that are widely used in consumer camera photography. Both investments and their growth potential will be beneficial to the Group's capability into providing miniature components in the optics solutions, an extension to our leading position in the acoustic segment.

Our investment in LTCC technology continues to make good progress in offering product solutions such as the Piezo ceramic speaker, haptics vibrator components, and such RF key components as ceramic chip antenna, filter, diplexer and substrate for wireless communication. The Group is working closely with Heptagon Oy, the investment in WLO lens technology on developing reflowable fine-structure free-form/aspheric micro-optics solutions.

Our focus on MEMS technology, the design and packaging of MEMS have delivered significant sales growth for the Group. We will continue our focus in technologies related to active noise-cancellation, sound projection, related digital processing methods, software development and imaging component technologies.

EMPLOYEE INFORMATION

As at 30th June, 2010, the Group employed 9,102 permanent employees. Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. The management regularly reviews the Group's remuneration policy and appraises the work performance of its staff.

Employee remuneration includes salaries, allowances, social insurance and mandatory pension fund. As required by the relevant regulations in the PRC, the Group participates in the social insurance schemes operated by the relevant local government authorities. The Group also participates in the mandatory pension fund and social insurance schemes for our employees in Hong Kong, Taiwan, Singapore, South Korea, USA, Japan and various countries in Europe.

PROSPECTS

We have achieved in creating a more diversified customer and market base for the Group and we are well-positioned for stronger growth. We have proved our capability of leveraging our strengths in research and development to quickly ramp up new product platforms to increase market share in existing customers and acquire new customers. We will continue to focus on making use of our fully automated and semi-automated manufacturing processes to realize a fully vertically-integrated production model for increasingly complex miniature technology components solutions. Looking ahead, we strive to achieve long term sustainable growth by advancing our integrated solution products and diversifying our market focus.

In addition to consolidating our leading position in the acoustic segment, we are addressing potential markets of other miniature technology components. For instance, the Group has begun to develop optical and haptics solutions utilizing disruptive technologies for use in next-generation components and modules. Ultimately, our goal is to become one of the world's leading micro components, accessories and total solution providers for manufacturers of all kinds of consumer electronic devices.

DIVIDENDS

From time to time, the Company will consider its financial position, results of operations, debt repayment ability, capital expenditures, Group's earnings and other factors as the Board may deem appropriate. The Board may recommend the amount of dividends to be declared and declaration and payment of dividends will be determined by the shareholders in general meeting. The Board may also from time to time pay to shareholders such interim dividends to be justified by the profits of the Company.

During the six months ended 30th June, 2010, a final dividend of HK15.5 cents per ordinary share for the year ended 31st December, 2009 was paid to shareholders of the Company.

The Board resolved to declare payment of an interim dividend of HK14.2 cents per ordinary share in respect of the six months period ended 30th June, 2010. This represents a payout ratio of about 40% of the profit attributable to owners of the Company for the period. The interim dividend will be payable on or around 8th October, 2010 to the shareholders of the Company whose names appear on the register of members on 24th September, 2010.

DEFINITIONS

"LTCC"	Low Temperature Co-Fired Ceramics ("LTCC") technology which is a technology used in Chip Antenna and substrate for wireless communication.
"MEMS''	Micro Electro Mechanical Systems ("MEMS") is based on semiconductor technology which uses silicon to create electrical pathways within components.
"RF"	Radio Frequency ("RF") is the frequency used for transmitting data, audio, or video.
"WLO"	Wafer Level Optic Lens technology.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June, 2010, the beneficial interests 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 Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register of interests 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 under such provisions of the SFO and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

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

		Number of ordinary shares						
Name of Director	Capacity	Personal interests	Joint interests	Corporate interests	Spouse interests	Other interests	Total number of ordinary shares	Percentage of the Company's issued share capital as at 30th June, 2010
Mr. Pan Zhengmin, Benjamin ("Mr. Pan")	Beneficial owner/ Interest of child under 18 and spouse/ interest of controlled corporation	69,512,565	–	51,439,440	320,820,525	137,114,002	578,886,532 (Note (1))	47.14%
Ms. Wu Chunyuan, Ingrid ("Ms. Wu")	Beneficial owner/ interest of child under 18 and spouse	320,820,525	–	–	120,952,005	137,114,002	578,886,532 (Note (2))	47.14%
Mr. Koh Boon Hwee	Beneficial owner	1,307,562	–	–	–	–	1,307,562	0.11%

Notes:

(1) Mr. Pan beneficially owns 69,512,565 shares. In addition, Mr. Pan is deemed or taken to be interested in the following shares for the purposes of the SFO:

(i) 51,439,440 shares which are beneficially owned by Silver Island Limited, a company wholly-owned by Mr. Pan;

(ii) 320,820,525 shares which are beneficially owned by Ms. Wu and as Ms. Wu is his spouse, he is deemed to be interested in such 320,820,525 shares; and

(iii) 137,114,002 shares representing the aggregate of (a) 132,375,158 shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendents, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10th May, 2005; and (b) 4,738,844 shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendents, as beneficiaries of the Pan 2005 Exempt Trust dated 10th May, 2005. One child of Mr. Pan and Ms. Wu is over and another is under the age of 18.

(2) Ms. Wu beneficially owns 320,820,525 shares. In addition, Ms. Wu is deemed or taken to be interested in the following shares for the purposes of the SFO:

(i) 120,952,005 shares representing the aggregate of (a) 51,439,440 shares which are beneficially owned by Silver Island Limited, a company wholly-owned by Mr. Pan; and (b) 69,512,565 shares which are beneficially owned by Mr. Pan; and as Mr. Pan is her spouse, she is deemed to be interested in such 120,952,005 shares; and

(ii) 137,114,002 shares representing the aggregate of (a) 132,375,158 shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendents, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10th May, 2005 and (b) 4,738,844 shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendents, as beneficiaries of the Pan 2005 Exempt Trust dated 10th May, 2005. One child of Mr. Pan and Ms. Wu is over and another is under the age of 18.

Other than as disclosed above, as at 30th June, 2010, none of the Directors, chief executive nor their associates 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, 2010, the register of interests and short positions kept by the Company under section 336 of the SFO, other than the Directors and chief executives disclosed under the section of "DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES", showed that the following persons held interests or short positions in the Company's shares:

Name of shareholder	Capacity	Nature of interest	Number of ordinary shares	Derivative interest	Percentage of Company's issued share capital as at 30th June, 2010
J.P. Morgan Chase & Co. (Note (1))	Investment Manager/ Custodian corporation/ Approved lending agent	corporate interest/ other interest	223,742,304 (L)	–	18.22%
			86,628,302 (P)	–	7.05%
Credit Suisse Group (Note (2))	Interest in controlled corporation	corporate interest	93,600,000 (L)	46,800,000(L)	7.62%
			93,600,000 (S)	–	7.62%
Capital Research and Management Company (Note (3))	Investment Manager	corporate interest/ other interest	74,767,100 (L)	–	6.09%
Schroder Investment Management (Hong Kong) Limited	Investment Manager	other interest	73,432,000 (L)	–	5.98%

L – Long position
S – Short position
P – Lending pool

Notes:

(1) J.P. Morgan Chase & Co. through its various controlled corporations is interested in an aggregate of 223,742,304 shares of the Company as follows:

(i) 137,114,002 shares are directly held by J.P. Morgan Trust Company of Delaware, by virtue of CMC Holding Delaware Inc.'s 100% interest in J.P. Morgan Trust Company of Delaware, J.P. Morgan Equity Holdings Inc's 100% interest in CMC Holding Delaware Inc., JP Morgan Chase & Co's 100% interest in J.P. Morgan Equity Holdings Inc., each of CMC Holding Delaware Inc., J.P. Morgan Equity Holdings Inc., JP Morgan Chase & Co is deemed to be interested in these 137,114,002 shares; and

(ii) 86,628,302 shares are directly held by JP Morgan Chase Bank, N.A. and J.P. Morgan Chase & Co. is deemed to be interested in these 86,628,302 shares by virtue of its 100% interest in JP Morgan Chase Bank, N.A.;

J.P. Morgan Chase & Co. is also interested in 86,628,302 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.

(2) By virtue of Credit Suisse Group's 100% interest in Credit Suisse, Credit Suisse's 100% interest in Credit Suisse First Boston (International) Holding AG, Credit Suisse First Boston (International) Holding 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) Holding AG is deemed to be interested in 93,600,000 shares (and also unlisted derivative interests of 46,800,000 shares with physically settled (off exchange)) in the Company directly held by Credit Suisse First Boston (Hong Kong) Limited.

(3) By virtue of The Capital Group Companies, Inc's 100% interest in Capital Research and Management Company, each of Capital Research and Management Company and The Capital Group Companies, Inc. is deemed to be interested in 74,767,100 shares in the Company directly held by Capital Research and Management Company.

Save as the interests and short positions disclosed above, as at 30th June, 2010, so far as was known to any Director, no other persons had an interest or short position in the shares, equity derivatives, underlying shares or debentures 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 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.

CLOSURE OF REGISTER OF MEMBERS

The registers of members of the Company will be closed from 20th September, 2010 to 24th September, 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 17th September, 2010.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at 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. Details of the SO Scheme are set out in the 2009 annual report of the Company.

The Company has not granted any option under the SO Scheme since its adoption.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the SO Scheme, at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

RETIREMENT AND APPOINTMENT OF DIRECTOR

Mr. Pei Kang ("Mr. Kang") resigned as member of Nomination Committee and Remuneration Committee of the Company with effect from 3rd May, 2010 and retired as a non-executive Director of the Company at the annual general meeting held on 22nd May, 2010. The Board would like to take this opportunity to express sincere thanks to Mr. Kang for his valuable contribution to the Company.

Ms. Chang Carmen I-Hua ("Ms. Chang") was appointed as an independent non-executive Director, member of Nomination Committee and Remuneration Committee of the Company with effect from 3rd May, 2010. The Board would like to take this opportunity to welcome Ms. Chang to join the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th June, 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

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 Listing Rules throughout the six months ended 30th June, 2010.

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (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, 2010.

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. Poon Chung Yin Joseph and Mr. Koh Boon Hwee and a non-executive Director, Ms. Ingrid Chunyuan Wu. Mr. Poon Chung Yin Joseph 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 interim financial information for the six months ended 30th June, 2010.

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, Mr. Pei Kang (resigned on 3rd May, 2010), Ms. Chang Carmen I-Hua (an independent non-executive Director and appointed on 3rd May, 2010) and Dato' Tan Bian Ee. Mr. Koh Boon Hwee is the chairman of the Remuneration Committee.

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 Directors and senior management. Members of the Nomination Committee include Dato' Tan Bian Ee, Mr. Pei Kang (resigned on 3rd May, 2010), Ms. Chang Carmen I-Hua (an independent non-executive Director and appointed on 3rd May, 2010) and Mr. Poon Chung Yin Joseph. Dato' Tan Bian Ee is the chairman of the Nomination Committee.

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

Hong Kong, 30th August, 2010