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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)

**REVISION OF ANNUAL CAPS FOR AN EXISTING
CONTINUING CONNECTED TRANSACTION**

Background

Reference is made to the 16 December 2016 Announcement, wherein it was announced that, among other things, the following agreements were entered into by the Group with connected persons of the Company, which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules:

2017 Master Purchase Agreements

- (1) 2017 HG CJ Master Purchase Agreement;
- (2) 2017 Changzhou Yousheng Master Purchase Agreement;
- (3) 2017 Changzhou Model Master Purchase Agreement; and
- (4) 2017 Chengdu ZKLP Master Purchase Agreement.

The Supplemental 2017 HG CJ Master Purchase Agreement

Pursuant to the 2017 HG CJ Master Purchase Agreement dated 16 December 2016 entered into between the Company and HG CJ, for a period of three years commencing from 1 January 2017 to 31 December 2019, HG CJ has agreed to sell, or to procure members of the HG CJ Group (i.e. including HVPC) to sell, materials and/or products, including but not limited to foam blocks, calcium plastic boards, load plates, carrier bands, plastic plates and plastic trays, to members of the Group as and when reasonably requested by members of the Group from time to time.

The Directors have been closely monitoring, among other things, the continuing connected transactions under the 2017 HG CJ Master Purchase Agreement. Some of the construction and development of new production facilities of the Group in Vietnam have been, and some of them will be, completed earlier than expected, which will lead to an increase in the Group's overall production capacity in Vietnam. In view of that and the Board's expectation that the business of the Group will continue to expand resulting in the need to increase the purchase of materials and/or products from the HG CJ Group (i.e. including HVPC), the Board expects that the annual caps in respect of the annual purchase amounts under the 2017 HG CJ Master Purchase Agreement as disclosed in the 16 December 2016 Announcement will not be sufficient to cope with the Group's

production plans and therefore will have to be revised.

As a result, the Company and HG CJ have on 10 November 2017 entered into the Supplemental 2017 HG CJ Master Purchase Agreement, pursuant to which the annual caps in respect of the annual purchase amounts under the 2017 HG CJ Master Purchase Agreement for the years ending 31 December 2017, 2018 and 2019 respectively were increased by RMB15,000,000, RMB21,000,000 and RMB26,355,000 respectively and therefore, revised to be RMB67,760,000, RMB94,864,000 and RMB119,025,000 respectively.

Listing Rules implications

As at the date of this announcement, HG CJ is a company directly wholly-owned by Wu's Mother and therefore a connected person of the Company under Rule 14A.12(2)(b) of the Listing Rules. The entering into of the Supplemental 2017 HG CJ Master Purchase Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As Mr. Benjamin Pan and Ms. Ingrid Wu are regarded as having a material interest in the Supplemental 2017 HG CJ Master Purchase Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreement.

As at the date of this announcement, the Board anticipates that the aggregate annual transaction amount payable by the Group to the connected persons under the 2017 HG CJ Master Purchase Agreement (as supplemented by the Supplemental 2017 HG CJ Master Purchase Agreement), the 2017 Changzhou Yousheng Master Purchase Agreement, the 2017 Changzhou Model Master Purchase Agreement and the 2017 Chengdu ZKLP Master Purchase Agreement will, based on the relevant annual caps under such agreements, not exceed RMB237,410,000 for the year ending 31 December 2017; RMB326,524,000 for the year ending 31 December 2018; and RMB418,545,000 for the year ending 31 December 2019.

As one or some of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the 2017 HG CJ Master Purchase Agreement (as supplemented by the Supplemental 2017 HG CJ Master Purchase Agreement), the 2017 Changzhou Yousheng Master Purchase Agreement, the 2017 Changzhou Model Master Purchase Agreement and the 2017 Chengdu ZKLP Master Purchase Agreement, if required to be aggregated, exceed(s) 0.1% but all of the applicable percentage ratios are less than 5%, the Supplemental 2017 HG CJ Master Purchase Agreement constitutes a continuing connected transaction of the Company which is subject to the reporting and announcement requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. BACKGROUND

Reference is made to the 16 December 2016 Announcement, wherein it was announced that, among other things, the following agreements were entered into by the Group with connected persons of the Company, which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules:

2017 Master Purchase Agreements

- (1) 2017 HG CJ Master Purchase Agreement;
- (2) 2017 Changzhou Yousheng Master Purchase Agreement;
- (3) 2017 Changzhou Model Master Purchase Agreement; and
- (4) 2017 Chengdu ZKLP Master Purchase Agreement.

The Directors have been closely monitoring, among other things, the continuing connected transactions under the 2017 HGCJ Master Purchase Agreement. Some of the construction and development of new production facilities of the Group in Vietnam have been, and some of them will be, completed earlier than expected, which will lead to an increase in the Group's overall production capacity in Vietnam. In view of that and the Board's expectation that the business of the Group will continue to expand resulting in the need to increase the purchase of materials and/or products from the HGCJ Group (i.e. including HVPC), the Board expects that the annual caps in respect of the annual purchase amounts under the 2017 HGCJ Master Purchase Agreement as disclosed in the 16 December 2016 Announcement will not be sufficient to cope with the Group's production plans and therefore will have to be revised.

II. THE SUPPLEMENTAL 2017 HGCJ MASTER PURCHASE AGREEMENT

The 2017 HGCJ Master Purchase Agreement

As stated in the 16 December 2016 Announcement, the Company and HGCJ entered into the 2017 HGCJ Master Purchase Agreement, pursuant to which, for a period of three years commencing from 1 January 2017 to 31 December 2019, HGCJ has agreed to sell, or to procure members of the HGCJ Group (i.e. including HVPC) to sell, materials and/or products, including but not limited to foam blocks, calcium plastic boards, load plates, carrier bands, plastic plates and plastic trays, to members of the Group as and when reasonably requested by members of the Group from time to time. Each purchasing transaction under the 2017 HGCJ Master Purchase Agreement would be effected and governed by the relevant Purchasing Agreement which would be entered into between the relevant members of the Group and the relevant members of the HGCJ Group during the duration of the 2017 HGCJ Master Purchase Agreement.

The terms of the Purchasing Agreement (including the amount of consideration and the payment terms) would be negotiated and determined on a case-by-case and arm's length basis and on normal commercial terms which would be no less favourable than those made available by independent third party suppliers to members of the Group. In addition, the Group would obtain fee quotations from other suppliers in the market to ensure that the terms offered by the HGCJ Group represent prevailing market rates and would be no less favorable than terms that could otherwise be obtained from other suppliers in order to safeguard the interest of the Company and the Shareholders as a whole.

The annual caps in respect of the annual purchase amounts under the 2017 HGCJ Master Purchase Agreement were proposed to be RMB52,760,000, RMB73,864,000 and RMB92,670,000 for the years ending 31 December 2017, 2018 and 2019 respectively.

For the ten months ended 31 October 2017, the actual transaction amount for the purchase of the materials and/or products from the HGCJ Group under the 2017 HGCJ Master Purchase Agreement was approximately RMB50,831,000. The aforesaid transaction amount has not exceeded the annual cap for the year ending 31 December 2017 (i.e. RMB52,760,000).

The Supplemental 2017 HGCJ Master Purchase Agreement

On 10 November 2017, the Company and HGCJ entered into the Supplemental 2017 HGCJ Master Purchase Agreement, pursuant to which the annual caps in respect of the annual purchase amounts under the 2017 HGCJ Master Purchase Agreement for the years ending 31 December

2017, 2018 and 2019 respectively were increased by RMB15,000,000, RMB21,000,000 and RMB26,355,000 respectively and therefore, revised to be RMB67,760,000, RMB94,864,000 and RMB119,025,000 respectively.

Such annual caps were determined with reference to (i) previous transactions; (ii) historical purchase amounts between the Group and the HG CJ Group; (iii) estimated prevailing market rates of the materials and/or products to be acquired; (iv) the expected level of purchases by the Group for its estimated production needs taking into account the Group's projected sales volume of its products, the estimated demands from the market and customers, the expected completion of its research and development in relation to its products and the anticipated growth of the Group's production capacity; and (v) the increase in the overall production capacity of the Group as a result of some of the construction and development of new production facilities of the Group in Vietnam having been, and some of them which will be, completed earlier than expected.

Pursuant to the Supplemental 2017 HG CJ Master Purchase Agreement, save as disclosed herein, all other terms under the 2017 HG CJ Master Purchase Agreement remain in full force and effect.

III. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, HG CJ is a company directly wholly-owned by Wu's Mother and therefore a connected person of the Company under Rule 14A.12(2)(b) of the Listing Rules. The entering into of the Supplemental 2017 HG CJ Master Purchase Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As Mr. Benjamin Pan and Ms. Ingrid Wu are regarded as having a material interest in the Supplemental 2017 HG CJ Master Purchase Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreement.

As at the date of this announcement, the Board anticipates that the aggregate annual transaction amount payable by the Group to the connected persons under the 2017 HG CJ Master Purchase Agreement (as supplemented by the Supplemental 2017 HG CJ Master Purchase Agreement), the 2017 Changzhou Yousheng Master Purchase Agreement, the 2017 Changzhou Model Master Purchase Agreement and the 2017 Chengdu ZKLP Master Purchase Agreement will, based on the relevant annual caps under such agreements, not exceed RMB237,410,000 for the year ending 31 December 2017; RMB326,524,000 for the year ending 31 December 2018; and RMB418,545,000 for the year ending 31 December 2019.

As one or some of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the 2017 HG CJ Master Purchase Agreement (as supplemented by the Supplemental 2017 HG CJ Master Purchase Agreement), the 2017 Changzhou Yousheng Master Purchase Agreement, the 2017 Changzhou Model Master Purchase Agreement and the 2017 Chengdu ZKLP Master Purchase Agreement, if required to be aggregated, exceed(s) 0.1% but all of the applicable percentage ratios are less than 5%, the Supplemental 2017 HG CJ Master Purchase Agreement constitutes a continuing connected transaction of the Company which is subject to the reporting and announcement requirements but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

IV. REASONS AND BENEFITS FOR THE ENTERING INTO OF THE SUPPLEMENTAL 2017 HGCJ MASTER PURCHASE AGREEMENT

In addition to the reasons and benefits for the entering into of the Supplemental 2017 HGCJ Master Purchase Agreement as stated herein, the Directors (including the independent non-executive Directors) are of the view that the entering into of the Supplemental 2017 HGCJ Master Purchase Agreement would facilitate the operation of the Group as the materials and/or products to be purchased by the Group thereunder are essential to the production of the Group's products. They also consider that the entering into of the Supplemental 2017 HGCJ Master Purchase Agreement would allow the Group to continue its production activities at such locations which are located in close proximity to the other facilities of the Group and to reduce delivery and transportation costs of, and better maintain quality control over, the materials and/or products purchased thereunder.

The Directors (including independent non-executive Directors) are of the view that the Supplemental 2017 HGCJ Master Purchase Agreement was entered into in the ordinary and usual course of business of the Group, on normal commercial terms and that the terms thereof (including the relevant respective annual caps) are fair and reasonable and in the interest of the Company and the Shareholders as a whole after taking into account the factors stated in this announcement.

V. GENERAL

The Group is one of the world's foremost vertically integrated manufacturers of miniature components. The Group designs, manufactures and distributes a comprehensive suite of receivers, speakers, speaker modules, multi-function devices, microphones, vibrators, headsets, antennas and ceramics components for use in mobile handsets, tablets, game consoles, notebook computers and other consumer electronics devices such as electronic book-readers. The Group offers wide-ranging innovative technology design solutions covering mobile telecommunications, IT products, consumer electronics, home appliances, automobile and medical applications markets.

HGCJ is principally engaged in the manufacture and processing of packaging materials and stamping and plastic products.

VI. DEFINITIONS

In this announcement, the following expressions bear their respective meanings unless the context otherwise requires:

“16 December 2016 Announcement” the announcement of the Company dated 16 December 2016

“2017 Changzhou Model Master Purchase Agreement” the master purchase agreement entered into between 常州遠宇精密模具製造有限公司 (Changzhou Yuanyu Precise Model Manufacturing Co., Ltd*) and the Company, details of which are set out in the section headed “(7) 2017 CHANGZHOU MODEL MASTER PURCHASE AGREEMENT” of the 16 December 2016 Announcement

“2017 Changzhou Yousheng Master Purchase Agreement”	the master purchase agreement entered into between 常州友晟電子有限公司 (Changzhou Yousheng Electronics Co., Ltd.*) and the Company, details of which are set out in the section headed “(6) 2017 CHANGZHOU YOUSHENG MASTER PURCHASE AGREEMENT” of the 16 December 2016 Announcement
“2017 Chengdu ZKLP Master Purchase Agreement”	the master purchase agreement entered into between 成都中科来方能源科技有限公司 (Chengdu Zhongke Laifang Power Science & Technology Co., Ltd.*) and the Company, details of which are set out in the section headed “(8) 2017 CHENGDU ZKLP MASTER PURCHASE AGREEMENT” of the 16 December 2016 Announcement
“2017 HGCI Master Purchase Agreement”	the master purchase agreement entered into between HGCI and the Company, details of which are set out in the section headed “(5) 2017 HGCI MASTER PURCHASE AGREEMENT” of the 16 December 2016 Announcement
“2017 Master Purchase Agreements”	the 2017 Changzhou Model Master Purchase Agreement, the 2017 Changzhou Yousheng Master Purchase Agreement, the 2017 Chengdu ZKLP Master Purchase Agreement and the 2017 HGCI Master Purchase Agreement
“Board”	the board of Directors
“Company”	AAC Technologies Holdings Inc., a company incorporated in the Cayman Islands as an exempted company with limited liability on 4 December 2003, whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HGCI”	常州市武進湖塘何家紅光沖件廠 (Wujin Hutang Hejia Hongguang Stamping Factory*), a company directly wholly-owned by Wu’s Mother
“HGCI Group”	HGCI and its subsidiaries, its shareholders, its holding company and subsidiaries of such holding company from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HVPC”	Hongguang Viet Nam Plastic Company Limited 紅光(越南)塑業有限公司, a company incorporated in Vietnam, a subsidiary of HGCI and also a connected person of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Benjamin Pan”	Mr. Benjamin Zhengmin Pan, an executive Director and the chief executive officer of the Company
“Ms. Ingrid Wu”	Ms. Ingrid Chunyuan Wu, a non-executive Director and the spouse of Mr. Benjamin Pan
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchasing Agreement(s)”	the specific purchasing agreement(s) to be entered into between member(s) of the Group and member(s) of the HGCI Group from time to time during the duration of the 2017 HGCI Master Purchase Agreement in respect of purchasing transaction(s) contemplated thereunder
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the registered holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental 2017 HGCI Master Purchase Agreement”	the supplemental master purchase agreement entered into between HGCI and the Company, details of which are set out in the section headed “II. THE SUPPLEMENTAL 2017 HGCI MASTER PURCHASE AGREEMENT” of this announcement
“Wu’s Mother”	Ms. Ye Huamei, mother of Ms. Ingrid Wu

**For identification purposes only.*

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

Hong Kong, 10 November 2017

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.