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AAC TECHNOLOGIES HOLDINGS INC.
(incorporated in the Cayman Islands with limited liability)
(Stock Code : 02018)

**CONNECTED TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS**

The Changzhou Assets and Technology Rights Transfer Agreement

On 3 August 2011, AAC New Power, an indirect wholly-owned subsidiary of the Company entered into the Changzhou Assets and Technology Rights Transfer Agreement with Changzhou ZKLF, pursuant to which Changzhou ZKLF agreed to transfer the Changzhou Assets and Changzhou Technology Rights to AAC New Power for a consideration of RMB42,507,488 (equivalent to approximately HK\$51,008,986) in cash payable by AAC New Power.

The Jiangsu Yuanyu Technology Rights Transfer Agreement

On 3 August 2011, AAC New Power entered into the Jiangsu Yuanyu Technology Rights Transfer Agreement with Jiangsu Yuanyu, pursuant to which Jiangsu Yuanyu agreed to transfer the Jiangsu Yuanyu Technology Rights to AAC New Power for a consideration of RMB12,628,445 (equivalent to approximately HK\$15,154,134) in cash payable by AAC New Power.

As at the date of this announcement, Changzhou ZKLF is a wholly-owned subsidiary of Jiangsu Yuanyu. 21.72% of the equity interest of Jiangsu Yuanyu is held by Changzhou LFY, a company beneficially owned as to 50% by each of the Pan's Father and Pan's Mother; 30% of the equity interest of Jiangsu Yuanyu is held by Changzhou Yulai, a company beneficially owned as to 50% by each of the Pan's Father and Pan's Mother; and 48.28% of the equity interest of Jiangsu Yuanyu is held by Silver Island Limited, a company beneficially owned as to 100% by Mr. Pan, a Director. As such, both Jiangsu Yuanyu and Changzhou ZKLF are associates of Mr. Pan and therefore connected persons of the Company under Rule 14A.11(4) of the Listing Rules.

The entering into of the Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the connected transactions contemplated under the Changzhou

Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreements.

The Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement were entered into between the Group and parties connected or otherwise associated with each other and such transactions are similar in nature (i.e. transfer of assets and know-how in relation to the production of batteries). When such transactions are aggregated for the purpose of deriving at the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement, in aggregate, exceed 0.1% but are less than 5% and such connected transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Capital Injection Agreement

On 3 August 2011, AAC HK, an indirect wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with Changzhou ZKLF and Jiangsu Yuanyu, pursuant to which they agreed that Changzhou ZKLF will make a capital contribution of US\$6,570,000 (equivalent to approximately HK\$51,180,300) in cash to the registered capital of AAC New Power, a wholly-owned subsidiary of AAC HK and that Jiangsu Yuanyu will make a capital contribution of US\$1,950,000 (equivalent to approximately HK\$15,190,500) to the registered capital of AAC New Power.

As of the date of this announcement, the registered capital of AAC New Power is US\$35,000,000 (equivalent to approximately HK\$272,650,000) and the paid-up capital by AAC HK is US\$24,497,093 (equivalent to approximately HK\$190,832,355). Upon Completion of the Capital Injection Agreement, the total registered capital of AAC New Power will be increased from US\$35,000,000 (equivalent to approximately HK\$272,650,000) to US\$43,520,000 (equivalent to approximately HK\$339,020,800); on the assumption that the registered capital of US\$35,000,000 (equivalent to approximately HK\$272,650,000) is fully paid-up by AAC HK, the equity interest held by the Group in AAC New Power will be reduced from 100% to 80.42%; Changzhou ZKLF will be interested in 15.10% of the equity interest in AAC New Power and Jiangsu Yuanyu will be interested in 4.48% of the equity interest in AAC New Power. Such reduction of the Group's equity interest in AAC New Power will constitute a deemed disposal of AAC New Power under Rule 14.29 of the Listing Rules. AAC New Power will continue to be a subsidiary of the Company upon completion of the Capital Injection Agreement.

The entering into of the Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the connected transactions contemplated under the Capital Injection Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreement.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Capital Injection Agreement exceed 0.1% but are less than 5%, such connected transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The net financial effect of the above series of transactions entered into by the Group does not involve providing any funding (other than funding due to currency exchange differences) on buying out and paying any connected parties for their interests in the assets or technologies being injected into AAC New Power.

The Changzhou ZKLF Purchase Agreement

On 3 August 2011, AAC New Power entered into the Changzhou ZKLF Purchase Agreement with Changzhou ZKLF, pursuant to which AAC New Power agreed to purchase and Changzhou ZKLF agreed to sell electrolyte separator material for a term commencing on 3 August 2011 and expiring on 31 December 2013.

The Chengdu Yindile Purchase Agreement

On 3 August 2011, AAC New Power entered into the Chengdu Yindile Purchase Agreement with Chengdu Yindile, pursuant to which AAC New Power agreed to purchase and Chengdu Yindile agreed to sell aqueous binders for a term commencing on 3 August 2011 and expiring on 31 December 2013.

As at the date of this announcement, Chengdu Yindile is an indirect subsidiary of Jiangsu Yuanyu. As such, Chengdu Yindile is an associate of Mr. Pan and therefore a connected person of the Company under Rule 14A.11(4) of the Listing Rules.

The entering into of the Changzhou ZKLF Purchase Agreement and Chengdu Yindile Purchase Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the continuing connected transactions contemplated under the Changzhou ZKLF Purchase Agreement and Chengdu Yindile Purchase Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreements.

Reference is now made to the 28 December 2010 Announcement, wherein it was announced that the following agreements, amongst others, which constituted and still constitute continuing connected transactions under Chapter 14A of the Listing Rules, were entered into by the Group:-

- (1) the New HGCI Agreement dated 17 December 2010;
- (2) the New Yousheng Agreement dated 16 December 2010; and
- (3) the New Changzhou Model Agreement dated 16 December 2010.

Each of the Changzhou ZKLF Purchase Agreement, Chengdu Yindile Purchase Agreement and Existing Purchase Agreements were entered into between the Group and parties connected or otherwise associated with each other and such transactions are similar in nature (i.e. purchasing of products of a similar nature). When such transactions are aggregated for the purpose of deriving at the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the Board anticipates that the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the Changzhou ZKLF Purchase Agreement, Chengdu Yindile Purchase Agreement and Existing Purchase Agreements, in aggregate, will exceed 0.1% but will be less than 5% and the Changzhou ZKLF Purchase Agreement and Chengdu Yindile Purchase Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, annual review requirements set out in Rules 14A.37 to 14A.40 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The AAC New Power Lease Agreement

On 3 August 2011, AAC New Power entered into the AAC New Power Lease Agreement with Jiangsu Yuanyu, pursuant to which Jiangsu Yuanyu agreed to lease to AAC New Power the Jiangsu Yuanyu (AAC New Power) Premises for the period from 3 August 2011 to 31 December 2013.

The AAC Biotechnology Lease Agreement

On 3 August 2011, AAC Biotechnology, an indirect non-wholly owned subsidiary of the Company, entered into the AAC Biotechnology Lease Agreement with Jiangsu Yuanyu, pursuant to which Jiangsu Yuanyu agreed to lease to AAC Biotechnology the Jiangsu Yuanyu (AAC Biotechnology) Premises for the period from 3 August 2011 to 31 December 2013.

The entering into of the AAC New Power Lease Agreement and AAC Biotechnology Lease Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the continuing connected transactions contemplated under the AAC New Power Lease Agreement and AAC Biotechnology Lease Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreements.

Reference is now made to the 28 December 2010 Announcement, wherein it was announced that the following agreements, amongst others, which constituted and still constitute continuing connected transactions under Chapter 14A of the Listing Rules, were entered into by the Group:-

- (1) the New Shenzhen Yuanyu Agreement dated 28 December 2010;
- (2) the New Wu's Mother Agreements dated 4 November 2010 and 28 December 2010;
- (3) the New Changzhou LFY Agreements dated 20 December 2010; and
- (4) the American Audio Agreement dated 28 December 2010.

Each of the AAC New Power Lease Agreement, AAC Biotechnology Lease Agreement and Existing Lease Agreements were entered into between the Group and parties connected or otherwise associated with each other and such transactions are similar in nature (i.e. leasing of properties). When such transactions are aggregated for the purpose of deriving at the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the Board anticipates that the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the AAC New Power Lease Agreement, AAC Biotechnology Lease Agreement and Existing Lease Agreements, in aggregate, will exceed 0.1% but will be less than 5% and the AAC New Power Lease Agreement and AAC Biotechnology Lease Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, annual review requirements set out in Rules 14A.37 to 14A.40 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. CONNECTED TRANSACTIONS

(1A) CHANGZHOU ASSETS AND TECHNOLOGY RIGHTS TRANSFER AGREEMENT

Date: 3 August 2011

Parties: (1) AAC New Power; and
(2) Changzhou ZKLF

Subject matter:

AAC New Power entered into the Changzhou Assets and Technology Rights Transfer Agreement with Changzhou ZKLF, pursuant to which Changzhou ZKLF agreed to transfer the Changzhou Assets and Changzhou Technology Rights to AAC New Power for an aggregate consideration of RMB42,507,488 (equivalent to approximately HK\$51,008,986) in cash payable by AAC New Power.

The Changzhou Assets comprise (i) production, testing and transport equipments / facilities at the total consideration of RMB25,554,905.90 (equivalent to approximately HK\$30,665,887); and (ii) inventory of stocks of raw materials for the purpose of testing at the consideration of RMB1,952,582.10 (equivalent to approximately HK\$2,343,099).

Upon completion of the transfer of Changzhou Technology Rights at the consideration of RMB15,000,000 (equivalent to approximately HK\$18,000,000), AAC New Power will have the exclusive right to use the technological know-how and confidential information on production technology and engineering process of lithium ion batteries with special safety and high energy density features.

Payment terms:

The consideration of RMB42,507,488 (equivalent to approximately HK\$51,008,986) in cash will be paid by AAC New Power to Changzhou ZKLF on 3 August 2011.

(1B) JIANGSU YUANYU TECHNOLOGY RIGHTS TRANSFER AGREEMENT

Date: 3 August 2011

Parties: (1) AAC New Power; and

(2) Jiangsu Yuanyu

Subject matter:

AAC New Power entered into the Jiangsu Yuanyu Technology Rights Transfer Agreement with Jiangsu Yuanyu, pursuant to which Jiangsu Yuanyu agreed to transfer the Jiangsu Yuanyu Technology Rights to AAC New Power for a consideration of RMB12,628,445 (equivalent to approximately HK\$15,154,134) in cash payable by AAC New Power.

Upon completion of the Jiangsu Yuanyu Technology Rights Transfer Agreement, AAC New Power will have the exclusive right to use technological know-how and confidential information on, among others, (i) lithium ion battery anode material and their production; (ii) manufacturing techniques for nanoporous polymer electrolyte separator diaphragms; (iii) the composite oxide electrode material and hybrid super capacitor fabrication process; and (iv) polymer lithium ion battery production technology, etc.

Furthermore, Jiangsu Yuanyu has agreed to provide to AAC New Power know-how for technical services and technical assistance in relation to pilot production techniques and also on-site training for technical services and technical assistance.

Payment terms:

The consideration of RMB12,628,445 (equivalent to approximately HK\$15,154,134) in cash will be paid by AAC New Power to Jiangsu Yuanyu on 3 August 2011.

BASIS OF THE TOTAL CONSIDERATION OF THE CHANGZHOU ASSETS, CHANGZHOU TECHNOLOGY RIGHTS AND JIANGSU YUANYU TECHNOLOGY RIGHTS:

The total consideration of the Changzhou Assets, Changzhou Technology Rights and Jiangsu Yuanyu Technology Rights was determined with reference to the total expenditure incurred by Changzhou ZKLF and Jiangsu Yuanyu on the research and development in such assets and technology rights.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE CHANGZHOU ASSETS, CHANGZHOU TECHNOLOGY RIGHTS AND JIANGSU YUANYU TECHNOLOGY RIGHTS:

Both Changzhou ZKLF and Jiangsu Yuanyu have in the early stages of their business activities invested a tremendous amount of resources and time into the research and development of batteries as well as the commercialization of such results by setting up a battery production operation.

By acquiring the Changzhou Assets, Changzhou Technology Rights and Jiangsu Yuanyu Technology Rights, the Company can offer different and competitive battery power solutions based on different specifications and costing, and synergy is achieved as the Company already provides other acoustic and non-acoustic solutions to customers in accordance with their product designs.

The Directors considered that the respective terms of the Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole after taking into account the above factors.

(2) CAPITAL INJECTION AGREEMENT

Date: 3 August 2011

Parties: (1) AAC HK;
(2) Changzhou ZKLF; and
(3) Jiangsu Yuanyu

Subject matter:

AAC HK entered into the Capital Injection Agreement with Changzhou ZKLF and Jiangsu Yuanyu, pursuant to which they agreed that Changzhou ZKLF will make a capital contribution of US\$6,570,000 (equivalent to approximately HK\$51,180,300) in cash to the registered capital of AAC New Power and that Jiangsu Yuanyu will make a capital contribution of US\$1,950,000 (equivalent to approximately HK\$15,190,500) to the registered capital of AAC New Power.

Payment terms:

The capital contribution shall be paid in cash within two years from 3 August 2011.

Basis of consideration:

The total capital contribution of US\$8,520,000 (equivalent to approximately HK\$66,370,800) was determined after arm's length negotiations between AAC HK, Changzhou ZKLF and Jiangsu Yuanyu with reference to a total of 19.58% of the enlarged registered capital of AAC New Power as enlarged by the Capital Injection.

Financial information on AAC New Power:

Set out below is a summary of the relevant financial information of AAC New Power:-

	For the 6 months ended June 2011 unaudited
	(in RMB)
Net profit or (loss) before taxation	(3,286,059) (equivalent to approximately (HK\$3,943,271))
Net profit or (loss) after taxation	(3,286,059) (equivalent to approximately (HK\$3,943,271))

Note: AAC New Power was incorporated on 30 November 2010 and its application for the appropriate business license for the purpose of carrying out business activities was approved on 5 January 2011. As such, AAC New Power did not carry out any business activities for the year ended 31 December 2010 and the year ended 31 December 2009.

As of 31 December, 2010, the audited consolidated net asset value of AAC New Power was approximately RMB162,822,377 (equivalent to approximately HK\$195,386,852).

Financial effects of the Capital Injection:

As the Capital Injection is by cash only, no gain or loss is expected to accrue to the Company.

Shareholding structure:

The shareholding structure of AAC New Power immediately before and after completion of the Capital Injection (assuming that the Capital Increase will have been completed) are as follows:-

	Immediately before completion of the Capital Injection			Upon the Capital Increase after completion of the Capital Injection (on the assumption that the registered capital of US\$35,000,000 (equivalent to approximately HK\$272,650,000) is fully paid-up by AAC HK)	
	Interest in registered capital	%	Interest in paid-up capital	Interest in registered capital	%
The Group	US\$35,000,000 (equivalent to approximately HK\$272,650,000)	100%	US\$24,497,093 (equivalent to approximately HK\$190,832,355)	US\$35,000,000 (equivalent to approximately HK\$272,650,000)	80.42%
Changzhou ZKLF	-	-	-	US\$6,570,000 (equivalent to approximately HK\$51,180,300)	15.10%
Jiangsu Yuanyu	-	-	-	US\$1,950,000 (equivalent to approximately HK\$15,190,500)	4.48%
Total	<u>US\$35,000,000</u> (equivalent to	<u>100%</u>	<u>US\$24,497,093</u> (equivalent to	<u>US\$43,520,000</u> (equivalent to approximately	<u>100%</u>

	<u>approximately</u> HK\$272,650,000)		<u>approximately</u> HK\$190,832,355)	<u>HK\$339,020,800)</u>	
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Reasons for and benefits of the Capital Injection:

Jiangsu Yuanyu Group controls two patents and twenty-three pending patents, which include two key pending patents required for the manufacturing of lithium ion batteries, one of which is the manufacturing technique of aqueous binders and the other of which is the manufacturing technique of non-woven microporous separator diaphragms. The increase in the registered capital of AAC New Power resulting from the Capital Injection by Jiangsu Yuanyu and its wholly-owned subsidiary Changzhou ZKLF will increase the working capital and strengthen the financial position of AAC New Power and will possibly increase the production capacity of AAC New Power and the quality of its battery products.

Manufacturing of batteries is both a technological and capital intensive operation. In order to increase the success rate, more fully-automatic production and testing equipments are required. The Capital Injection from Jiangsu Yuanyu and Changzhou ZKLF will increase the available cash of AAC New Power which will directly improve the ability to meet the increasing capital expenditure requirements of AAC New Power. The proceeds from the Capital Injection will be used by AAC New Power for working capital purposes, including but not limited to capital expenditure.

The Directors considered that the terms of the Capital Injection Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole after taking into account the above factors.

II. CONTINUING CONNECTED TRANSACTION

(3A) CHANGZHOU ZKLF PURCHASE AGREEMENT

Date: 3 August 2011

Parties: (1) AAC New Power; and
(2) Changzhou ZKLF

Subject matter:

AAC New Power entered into the Changzhou ZKLF Purchase Agreement with Changzhou ZKLF, pursuant to which AAC New Power agreed to purchase and Changzhou ZKLF agreed to sell electrolyte separator material for a term commencing on 3 August 2011 and expiring on 31 December 2013.

An order form for each individual transaction contemplated under the Changzhou ZKLF Purchase Agreement specifying the model name, model number, unit, unit price, quantity, delivery date and delivery address of electrolyte separator material shall be delivered from AAC New Power to Changzhou ZKLF. Upon the receipt of such order form, Changzhou ZKLF will deliver products to AAC New Power according to the terms therein.

Price and payment terms:

The consideration payable for the products for each individual transaction contemplated under the Changzhou ZKLF Purchase Agreement shall be the aggregate price (inclusive of tax) for the total quantity of such products delivered by Changzhou ZKLF to AAC New Power which have been tested by and accepted to AAC New Power's satisfaction and standards and the price of the products shall not exceed the prevailing market rate.

Upon the receipt by AAC New Power of an invoice from Changzhou ZKLF for each individual transaction contemplated under the Changzhou ZKLF Purchase Agreement, the consideration shall be payable by AAC New Power to Changzhou ZKLF within sixty days from the end of the month of issuance of the invoice.

Proposed annual caps:

The Board intends to set the annual caps for the continuing connected transactions contemplated under the Changzhou ZKLF Purchase Agreement as follows:-

	Annual caps (in RMB)		
	For the year ending 31 December 2011	For the year ending 31 December 2012	For the year ending 31 December 2013
Changzhou ZKLF Purchase Agreement	4,260,000 (equivalent to approximately HK\$5,112,000)	10,220,000 (equivalent to approximately HK\$12,264,000)	51,080,000 (equivalent to approximately HK\$61,296,000)

Basis of proposed annual caps:

The electrolyte separator material to be purchased from Changzhou ZKLF by AAC New Power will be priced at RMB25 per sq.m. (equivalent to approximately HK\$30 per sq.m.). The unit price to be adopted under the Changzhou ZKLF Purchase Agreement has been determined with reference to prevailing market price obtained by market research on similar material carried out by AAC New Power.

Reasons for and benefits of the Changzhou ZKLF Purchase Agreement:

Pursuant to the Changzhou ZKLF Purchase Agreement, AAC New Power will be able to purchase patented and patent-pending cutting edge materials that can enhance the quality of its battery products. Changzhou ZKLF agrees that under the same terms and conditions, AAC New Power has priority in purchasing products and guarantees that the purchase prices payable by AAC New Power will be no less favorable than terms offered to independent third parties.

The Directors considered that the terms of the Changzhou ZKLF Purchase Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole after taking into account the above factors.

(3B) CHENGDU YINDILE PURCHASE AGREEMENT

Date: 3 August 2011

Parties: (1) AAC New Power; and

(2) Chengdu Yindile

Subject matter:

AAC New Power entered into the Chengdu Yindile Purchase Agreement with Chengdu Yindile, pursuant to which AAC New Power agreed to purchase and Chengdu Yindile agreed to sell aqueous binders for a term commencing on 3 August 2011 and expiring on 31 December 2013.

An order form for each individual transaction contemplated under the Chengdu Yindile Purchase Agreement specifying the model name, model number, unit, unit price, quantity, delivery date and delivery address of the aqueous binders shall be delivered from AAC New Power to Chengdu Yindile. Upon the receipt of such order form, Chengdu Yindile will deliver products to AAC New Power according to the terms therein.

Price and payment terms:

The consideration payable for the products for each individual transaction contemplated under the Chengdu Yindile Purchase Agreement shall be the aggregate price (inclusive of tax) for the total quantity of such products delivered by Chengdu Yindile to AAC New Power which have been tested by and accepted to AAC New Power's satisfaction and standards and the price of the products shall not exceed the prevailing market rate.

Upon the receipt by AAC New Power of an invoice from Chengdu Yindile for each individual transaction contemplated under the Chengdu Yindile Purchase Agreement, the consideration shall be payable by AAC New Power to Chengdu Yindile within sixty days from the end of the month of issuance of the invoice.

Proposed annual caps:

The Board intends to set the annual caps for the continuing connected transactions contemplated under the Chengdu Yindile Purchase Agreement as follows:-

	Annual caps (in RMB)		
	For the year ending 31 December 2011	For the year ending 31 December 2012	For the year ending 31 December 2013
Chengdu Yindile Purchase Agreement	1,122,000 (equivalent to approximately HK\$1,346,400)	2,693,000 (equivalent to approximately HK\$3,231,600)	13,460,000 (equivalent to approximately HK\$16,152,000)

Basis of proposed annual caps:

The aqueous binder material to be purchased from Chengdu Yindile by AAC New Power will be priced at RMB33 per kilogram (equivalent to approximately HK\$39.60 per kilogram). The unit price to be adopted under the Chengdu Yindile Purchase Agreement has been determined with reference to prevailing market price obtained by market research on similar material carried out by AAC New Power.

Reasons for and benefits of the Chengdu Yindile Purchase Agreement:

Pursuant to the Chengdu Yindile Purchase Agreement, AAC New Power will be able to purchase patented and patent-pending cutting edge materials that can enhance the quality of its battery products. Chengdu Yindile agrees that under the same terms and conditions, AAC New Power has priority in purchasing products and guarantees that the purchase prices payable by AAC New Power will be no less favorable than terms offered to independent third parties.

The Directors considered that the terms of the Chengdu Yindile Purchase Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole after taking into account the above factors.

(4A) AAC NEW POWER LEASE AGREEMENT

Date: 3 August 2011

Parties: (1) AAC New Power; and
(2) Jiangsu Yuanyu

Subject matter:

Jiangsu Yuanyu will lease to AAC New Power the Jiangsu Yuanyu (AAC New Power) Premises for the period from 3 August 2011 to 31 December 2013, details of which are as follows:-

- (i) for the period from 3 August 2011 to 30 June 2012, Jiangsu Yuanyu will lease to AAC New Power the Jiangsu Yuanyu (AAC New Power) Premises, comprising 9,274 sq.m. of construction area and 2,230 sq.m. of site area of the Jiangsu Yuanyu (AAC New Power) Premises at an annual rent of RMB1,696,080 (equivalent to approximately HK\$2,035,296) (i.e. monthly rent of RMB141,340 (equivalent to approximately HK\$169,608));
- (ii) for the period from 1 July 2012 to 30 June 2013, Jiangsu Yuanyu will lease to AAC New Power the Jiangsu Yuanyu (AAC New Power) Premises, comprising 15,894 sq.m. of construction area and 2,230 sq.m. of site area of the Jiangsu Yuanyu (AAC New Power) Premises at an annual rent of RMB2,887,680 (equivalent to approximately HK\$3,465,216) (i.e. monthly rent of RMB240,640 (equivalent to approximately HK\$288,768)); and
- (iii) for the period from 1 July 2013 to 31 December 2013, Jiangsu Yuanyu will lease to

AAC New Power the Jiangsu Yuanyu (AAC New Power) Premises, comprising 20,000 sq.m. of construction area and 2,230 sq.m. of site area at an aggregate rent RMB1,813,380 (equivalent to approximately HK\$2,176,056) (i.e. monthly rent of RMB302,230 (equivalent to approximately HK\$362,676)).

Payment terms of the AAC New Power Lease Agreement:

AAC New Power has agreed to pay the monthly rent to Jiangsu Yuanyu in arrears before the last day of each month.

Usage:

The Jiangsu Yuanyu (AAC New Power) Premises will be leased for industrial production use.

Proposed annual caps:

The Board intends to set the annual caps for the continuing connected transactions contemplated under the AAC New Power Lease Agreement as follows:-

	Annual caps (in RMB)		
	For the year ending 31 December 2011	For the year ending 31 December 2012	For the year ending 31 December 2013
AAC New Power Lease Agreement	848,040 (equivalent to approximately HK\$1,017,648)	2,291,880 (equivalent to approximately HK\$2,750,256)	3,257,220 (equivalent to approximately HK\$3,908,664)

Basis of the determining the rent:

The Jiangsu Yuanyu (AAC New Power) Premises is leased from Jiangsu Yuanyu to AAC New Power on the rental basis of RMB15 (equivalent to approximately HK\$18) per sq.m. of the construction area of the Jiangsu Yuanyu (AAC New Power) Premises and RMB1 (equivalent to approximately HK\$1.2) per sq.m. of the site area of the Jiangsu Yuanyu (AAC New Power) Premises. The rental rates under the AAC New Power Lease Agreement have been determined with reference to prevailing market rental rates obtained by market research on rental valuation of similar properties in the vicinity carried out by AAC New Power.

Reasons for and benefits of entering into the AAC New Power Lease Agreement:

The production equipments / facilities comprised in the Changzhou Assets are currently located at the Jiangsu Yuanyu (AAC New Power) Premises and pilot production has already been properly installed therein. In order to avoid major disruptions to the operation of such production equipments / facilities, it is appropriate to lease the Jiangsu Yuanyu (AAC New Power) Premises. Furthermore, the Jiangsu Yuanyu (AAC New Power) Premises offers additional space required by AAC New Power for its future expansion in the lithium ion battery business.

The Directors considered that the terms of the AAC New Power Lease Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole after taking into account the above factors.

(4B) AAC BIOTECHNOLOGY LEASE AGREEMENT

Date: 3 August 2011

Parties: (1) AAC Biotechnology; and
 (2) Jiangsu Yuanyu

Subject matter:

Jiangsu Yuanyu will lease to AAC Biotechnology the Jiangsu Yuanyu (AAC Biotechnology) Premises for the period from 3 August 2011 to 31 December 2013 at a monthly rent of RMB15 (equivalent to approximately HK\$18) per sq.m.. AAC Biotechnology may decide the actual size of the area within Jiangsu Yuanyu (AAC Biotechnology) Premises which it intends to lease during the lease term according to its needs but such area cannot comprise more than 500 sq.m. of construction area. The monthly rent payable by AAC Biotechnology will depend on the actual size of the area of Jiangsu Yuanyu (AAC Biotechnology) Premises used by AAC Biotechnology leased.

Payment terms of the AAC Biotechnology Agreement:

AAC Biotechnology has agreed to pay the monthly rent to Jiangsu Yuanyu in arrears before the last day of each month.

Usage:

The Jiangsu Yuanyu (AAC Biotechnology) Premises will be leased for industrial production use.

Proposed annual caps:

The Board intends to set the annual caps for the continuing connected transactions contemplated under the AAC Biotechnology Lease Agreement as follows:-

	Annual caps (in RMB)		
	For the year ending 31 December 2011	For the year ending 31 December 2012	For the year ending 31 December 2013
AAC Biotechnology Lease Agreement	45,000 (equivalent to approximately HK\$54,000)	90,000 (equivalent to Approximately HK\$ 108,000)	90,000 (equivalent to Approximately HK\$ 108,000)

Basis of the determining the rent:

The Jiangsu Yuanyu (AAC Biotechnology) Premises is leased from Jiangsu Yuanyu to AAC New Biotechnology on the rental basis of RMB15 (equivalent to approximately HK\$18) per sq.m. of the construction area of the Jiangsu Yuanyu (AAC Biotechnology) Premises. The rental rates under the AAC Biotechnology Agreement have been determined with reference to prevailing market rental rates obtained by market research on rental valuation of similar properties in the vicinity carried out by AAC Biotechnology.

Reasons for and benefits of entering into the AAC Biotechnology Lease Agreement:

The Jiangsu Yuanyu (AAC Biotechnology) Premises offers the convenience of close proximity to the lithium ion battery research and development and production facilities as well as additional space required by AAC Biotechnology for its future expansion in the medical equipment and supplies industry.

The Directors considered that the terms of the AAC Biotechnology Lease Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole after taking into account the above factors.

III. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Changzhou ZKLF is a wholly-owned subsidiary of Jiangsu Yuanyu. 21.72% of the equity interest of Jiangsu Yuanyu is held by Changzhou LFY, a company beneficially owned as to 50% by each of the Pan's Father and Pan's Mother; 30% of the equity interest of Jiangsu Yuanyu is held by Changzhou Yulai, a company beneficially owned as to 50% by each of the Pan's Father and Pan's Mother; and 48.28% of the equity interest of Jiangsu Yuanyu is held by Silver Island Limited, a company beneficially owned as to 100% by Mr. Pan, a Director. As such, both Jiangsu Yuanyu and Changzhou ZKLF are associates of Mr. Pan and therefore connected persons of the Company under Rule 14A.11(4) of the Listing Rules.

The entering into of the Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the connected transactions contemplated under the Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreements.

The Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement were entered into between the Group and parties connected or otherwise associated with each other and such transactions are similar in nature (i.e. transfer of assets and know-how in relation to the production of batteries). When such transactions are aggregated for the purpose of deriving at the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Changzhou Assets and Technology Rights Transfer Agreement and Jiangsu Yuanyu Technology Rights Transfer Agreement, in

aggregate, exceed 0.1% but are less than 5% and such connected transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As of the date of this announcement, the registered capital of AAC New power is US\$35,000,000 (equivalent to approximately HK\$272,650,000) and the paid-up capital by AAC HK is US\$24,497,093 (equivalent to approximately HK\$190,832,355). Upon Completion of the Capital Injection Agreement, the total registered capital of AAC New Power will be increased from US\$35,000,000 (equivalent to approximately HK\$272,650,000) to US\$43,520,000 (equivalent to approximately HK\$339,020,800); on the assumption that the registered capital of US\$35,000,000 (equivalent to approximately HK\$272,650,000) is fully paid-up by AAC HK, the equity interest held by the Group in AAC New Power will be reduced from 100% to 80.42%; Changzhou ZKLF will be interested in 15.10% of the equity interest in AAC New Power and Jiangsu Yuanyu will be interested in 4.48% of the equity interest in AAC New Power. Such reduction of the Group's equity interest in AAC New Power will constitute a deemed disposal of AAC New Power under Rule 14.29 of the Listing Rules. AAC New Power will continue to be a subsidiary of the Company upon completion of the Capital Injection Agreement.

The entering into of the Capital Injection Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the connected transactions contemplated under the Capital Injection Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreement.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Capital Injection Agreement exceed 0.1% but are less than 5%, such connected transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, Chengdu Yindile is an indirect subsidiary of Jiangsu Yuanyu. As such, Chengdu Yindile is an associate of Mr. Pan and therefore a connected person of the Company under Rule 14A.11(4) of the Listing Rules.

The entering into of the Changzhou ZKLF Purchase Agreement and Chengdu Yindile Purchase Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the continuing connected transactions contemplated under the Changzhou ZKLF Purchase Agreement and Chengdu Yindile Purchase Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreements.

Reference is now made to the 28 December 2010 Announcement, wherein it was announced that the following agreements, amongst others, which constituted and still constitute continuing connected transactions under Chapter 14A of the Listing Rules, were entered into by the Group:-

(1) the New HGCI Agreement dated 17 December 2010;

- (2) the New Yousheng Agreement dated 16 December 2010; and
- (3) the New Changzhou Model Agreement dated 16 December 2010..

Each of the Changzhou ZKLF Purchase Agreement, Chengdu Yindile Purchase Agreement and Existing Purchase Agreements were entered into between the Group and parties connected or otherwise associated with each other and such transactions are similar in nature (i.e. purchasing of products of a similar nature). When such transactions are aggregated for the purpose of deriving at the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the Board anticipates that the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the Changzhou ZKLF Purchase Agreement, Chengdu Yindile Purchase Agreement and Existing Purchase Agreements, in aggregate, will exceed 0.1% but will be less than 5% and the Changzhou ZKLF Purchase Agreement and Chengdu Yindile Purchase Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, annual review requirements set out in Rules 14A.37 to 14A.40 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into of the AAC New Power Lease Agreement and AAC Biotechnology Lease Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In view of this, as Mr. Pan and Ms. Wu have a material interest in the continuing connected transactions contemplated under the AAC New Power Lease Agreement and AAC Biotechnology Lease Agreement, they have abstained from voting on the board resolutions of the Company in approving such agreements.

Reference is now made to the 28 December 2010 Announcement, wherein it was announced that the following agreements, amongst others, which constituted and still constitute continuing connected transactions, were entered into:-

- (1) the New Shenzhen Yuanyu Agreement dated 28 December 2010;
- (2) the New Wu's Mother Agreements dated 4 November 2010 and 28 December 2010;
- (3) the New Changzhou LFY Agreements dated 20 December 2010; and
- (4) the American Audio Agreement dated 28 December 2010.

Each of the AAC New Power Lease Agreement, AAC Biotechnology Lease Agreement and Existing Lease Agreements were entered into between the Group and parties connected or otherwise associated with each other and such transactions are similar in nature (i.e. leasing of properties). When such transactions are aggregated for the purpose of deriving at the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules pursuant to Rules 14A.25 and 14A.26 of the Listing Rules, the Board anticipates that the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the AAC New Power Lease Agreement, AAC Biotechnology Lease Agreement and Existing Lease Agreements, in aggregate, will exceed 0.1% but will be

less than 5% and the AAC New Power Lease Agreement and AAC Biotechnology Lease Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, annual review requirements set out in Rules 14A.37 to 14A.40 but exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

IV. GENERAL

The Company 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, MP3 players and MP4 players. The Group offers wide-ranging innovative technology design solutions covering mobile telecommunications, IT products, consumer electronics, home appliances, automobile and medical applications markets.

AAC HK is principally engaged in the import, export, sales and marketing of consumer electronic components and products, as well as corporate investments.

AAC New Power is principally engaged in the research and development, manufacturing and sales of lithium ion battery cells and battery packs as well as providing after-sales services for lithium ion batteries produced by the company.

Changzhou ZKLF is principally engaged in the research and development and sales of lithium ion batteries, polymer lithium ion battery material, electrolyte separators, electrolytes, lithium ion battery cells, battery packs, super capacitors, composite materials and functional polymer materials and as well as the manufacturing of polymer lithium ion batteries, super capacitors, electrolyte separators, battery cells and battery packs.

Jiangsu Yuanyu is principally engaged in the research and development, provision of consulting services and as well as the transfer of technological know-how in the area of electronic technologies.

Chengdu Yindile is principally engaged in the research, development, manufacturing, sales, import and export of goods and technologies of new energy products, cells, electrodes and power supply material for lithium ion batteries, polymer batteries and twin layer capacitor batteries etc.

AAC Biotechnology is principally engaged in the research, development, manufacturing, sales and marketing of medical equipment and supplies.

V. DEFINITIONS

“28 December 2010 the announcement of the Company dated 28 December 2010 Announcement”

“AAC Biotechnology” 常州瑞聲生物科技有限公司(AAC Biotechnology (Changzhou))

		Co. Ltd.,*) , an indirect non-wholly owned subsidiary of AAC HK
“AAC Biotechnology Lease Agreement”		the agreement entered into between AAC Biotechnology and Jiangsu Yuanyu, details of which are set out in the section headed “(4B) AAC BIOTECHNOLOGY LEASE AGREEMENT” of this announcement
“AAC HK”		AAC Acoustic Technologies Limited (瑞聲聲學科技有限公司), an indirect wholly-owned subsidiary of the Company
“AAC New Power”		瑞聲新能源發展（常州）有限公司 (AAC New Power Development (Changzhou) Co. Ltd.*), a wholly-owned subsidiary of AAC HK
“AAC New Power Lease Agreement”		the agreement entered into between AAC New Power and Jiangsu Yuanyu, details of which are set out in the section headed “(4A) AAC NEW POWER LEASE AGREEMENT” of this announcement
“American Agreement”	Audio	the agreement entered into between the Group and Mr. Pan and Ms. Wu, details of which are set out in the section headed “AMERICAN AUDIO AGREEMENT” in the 28 December 2010 Announcement
“associate(s)”		has the meaning ascribed to it under the Listing Rules
“Board”		the board of Directors
“Capital Increase”		the increase in the registered capital of AAC New Power from US\$35,000,000 (equivalent to approximately HK\$272,650,000) to US\$43,520,000 (equivalent to approximately HK\$339,020,800) as a result of the Capital Injection, details of which are set out in the section headed “(2) CAPTIAL INJECTION AGREEMENT” of this announcement
“Capital Injection”		the injection of capital by Jiangsu Yuanyu and Changzhou ZKLF into AAC New Power in the aggregate amount of US\$8,520,000 (equivalent to approximately HK\$66,370,800) under the Capital Injection Agreement, details of which are set out in the section headed “(2) CAPTIAL INJECTION AGREEMENT” of this announcement
“Capital Agreement”	Injection	the agreement entered into between AAC HK, Jiangsu Yuanyu and Changzhou ZKLF, details of which are set out in the section headed “(2) CAPTIAL INJECTION AGREEMENT” of this announcement

“Changzhou Assets”	the assets to be transferred from Changzhou ZKLF to AAC New Power under the Changzhou Assets and Technology Rights Transfer Agreement, details of which are set out in the section headed “(1A) CHANGZHOU ASSETS AND TECHNOLOGY RIGHTS TRANSFER AGREEMENT” of this announcement
“Changzhou Assets and Technology Rights Transfer Agreement”	the agreement entered into between AAC New Power and Changzhou ZKLF, details of which are set out in the section headed “(1A) CHANGZHOU ASSETS AND TECHNOLOGY RIGHTS TRANSFER AGREEMENT” of this announcement
“Changzhou LFY”	常州來方圓電子有限公司(Changzhou Laifangyuan Electronics Co., Ltd.), which is beneficially owned as to 50% by Pan’s Father and 50% by Pan’s Mother
“Changzhou Technology Rights”	the technology rights to be transferred from Changzhou ZKLF to AAC New Power under the Changzhou Asset and Technology Rights Transfer Agreement, details of which are set out in the section headed “(1A) CHANGZHOU ASSETS AND TECHNOLOGY RIGHTS TRANSFER AGREEMENT” of this announcement
“Changzhou Yulai”	常州市裕來電子有限公司(Changzhou Yulai Electronics Co., Ltd.*), which is beneficially owned as to 50% by Pan’s Father and 50% by Pan’s Mother
“Chengdu Yindile”	成都茵地樂電源科技有限公司(Chengdu Yindile Power Supply Technologies Co., Ltd.*), an indirect subsidiary of Jiangsu Yuanyu and also a connected person of the Company
“Chengdu Yindile Purchase Agreement”	the agreement entered into between the AAC New Power and Chengdu Yindile, details of which are set out in the section headed “(3B) CHENGDU YINDILE PURCHASE AGREEMENT” of this announcement
“Changzhou ZKLF”	常州中科來方能源發展有限公司(Changzhou Zhongke Laifang Power Development Co. Ltd.*), a wholly-owned subsidiary of Jiangsu Yuanyu and also a connected person of the Company
“Changzhou ZKLF Purchase Agreement”	the agreement entered into between the AAC New Power and Changzhou ZKLF, details of which are set out in the section headed “(3A) CHANGZHOU ZKLF PURCHASE AGREEMENT” of this announcement
“Company”	AAC Technologies Holdings Inc., a company incorporated in the Cayman Islands as an exempted company with limited liability on 4 December 2003 and 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
“Existing Agreements”	Lease	the New Shenzhen Yuanyu Agreement, the New Wu’s Mother Agreements, the New Changzhou LFY Agreements and the American Audio Agreement
“Existing Agreements”	Purchase	the New Changzhou Model Agreement, the New HGCI Agreement and the New Yousheng Agreement
“Group”		the Company and its subsidiaries from time to time
“HK\$”		Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”		Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”		Shareholders other than the connected person(s) who is/are interested in the relevant transactions
“Jiangsu Yuanyu”		江蘇遠宇電子集團有限公司 (Jiangsu Yuanyu Electronics Group Co., Ltd.*), 21.72% of the equity interest of which is held by Changzhou LFY, a company beneficially owned as to 50% by each of the Pan’s Father and Pan’s Mother; 30% of the equity interest of which is held by Changzhou Yulai, a company beneficially owned as to 50% by each of the Pan’s Father and Pan’s Mother; and 48.28% of the equity interest of which is held by Silver Island Limited, a company beneficially owned as to 100% by Mr. Pan, and therefore a connected person of the Company
“Jiangsu Yuanyu (AAC Biotechnology) Premises”		the premises located at 中國江蘇省常州市武進區常州科教城遠宇科技大廈四樓 (4th Floor of Yuanyu Technologies Building, Science & Education Mega Center in Changzhou, Jiangsu Province, the PRC*), leased from Jiangsu Yuanyu to AAC Biotechnology under the AAC Biotechnology Lease Agreement
“Jiangsu Yuanyu (AAC New Power) Premises”		certain areas within the premises located at 中國江蘇省常州市武進區常州科教城遠宇科技大廈 (Yuanyu Technologies Building, Science & Education Mega Center in Changzhou, Jiangsu Province, the PRC*), leased from Jiangsu Yuanyu to AAC New Power under the AAC New Power Lease Agreement
“Jiangsu Yuanyu Group”		Jiangsu Yuanyu and its subsidiaries from time to time
“Jiangsu Yuanyu”	Yuanyu	the rights to be transferred from Jiangsu Yuanyu to AAC New

Technology Rights”	Power under the Jiangsu Yuanyu Technology Rights Transfer Agreement, details of which are set out in the section headed “(1B) JIANGSU YUANYU TECHNOLOGY RIGHTS TRANSFER AGREEMENT” of this announcement
“Jiangsu Yuanyu Technology Rights Transfer Agreement”	the agreement entered into between AAC New Power and Jiangsu Yuanyu, details of which are set out in the section headed “(1B) JIANGSU YUANYU TECHNOLOGY RIGHTS TRANSFER AGREEMENT” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pan”	Mr. Benjamin Zhengmin Pan, an executive Director
“Ms. Wu”	Ms. Ingrid Chunyuan Wu, a non-executive Director and the spouse of Mr. Pan
“New Changzhou LFY Agreements”	the agreements dated 20 December 2010 entered into between the Group and Changzhou LFY, details of which are set out in the section headed “NEW CHANGZHOU LFY AGREEMENTS” in the 28 December 2010 Announcement
“New Changzhou Model Agreement”	the agreement dated 16 December 2010 entered into between the Group and 常州遠宇精密模具製造有限公司 (Changzhou Yuanyu Precise Model Manufacturing Co., Ltd*), details of which are set out in the section headed “NEW CHANGZHOU MODEL AGREEMENT” in the 28 December 2010 Announcement
“New HGCI Agreement”	the agreement dated 17 December 2010 entered into between the Group and 常州市武進湖塘何家紅光沖件廠 (Wujin Hutang Hejia Hongguang Stamping Factory*), details of which are set out in the section headed “NEW HGCI AGREEMENT” in the 28 December 2010 Announcement
“New Shenzhen Yuanyu Agreement”	the agreement dated 28 December 2010 entered into between the Group and 深圳市遠宇實業發展有限公司 (Shenzhen Yuanyu Industrial Development Co., Ltd.*), details of which are set out in the section headed “NEW SHENZHEN YUANYU AGREEMENTS” in the 28 December 2010 Announcement
“New Wu’s Mother Agreements”	the agreements dated 4 November 2010 and 28 December 2010 entered into between the Group and Ms. Ye Huamei, details of which are set out in the section headed “NEW WU’S MOTHER AGREEMENTS” in the 28 December 2010 Announcement
“New Yousheng	the agreement dated 16 December 2010 entered into between the

“Agreement”	Group and 常州市友晟電子有限公司 (Changzhou Yousheng Electronics Co., Ltd.*), details of which are set out in the section headed “NEW YOUSHENG AGREEMENT” in the 28 December 2010 Announcement
“Pan’s Father”	Mr. Pan Zhonglai, father of Mr. Pan
“Pan’s Mother”	Ms. Xie Yufang, mother of Mr. Pan
“Pan’s Sister”	Ms. Pan Lijun, sister of Mr. 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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the registered holder(s) of share(s) of the Company
“Silver Island Limited”	a company beneficially owned as to 100% by Mr. Pan
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US\$, the lawful currency of the United States of America
“Wu’s Father”	Mr. Wu Boming (deceased), father of Ms. Wu, a non-executive Director and the spouse of Mr. Pan, an executive Director

**For identification purposes only.*

Note: For information purposes only, the translations of RMB to HK\$ and US\$ to HK\$ in this announcement is based at the rates of RMB1.00 to HK\$1.2 and US\$1.00 to HK\$7.79.

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

Hong Kong, 4 August 2011

As at the date of this announcement, the Board comprises two executive directors, Mr. Benjamin Zhengmin Pan and Mr. Mok Joe Kuen Richard; a non-executive director, Ms. Ingrid Chunyuan Wu; and four independent non-executive directors, Mr. Koh Boon Hwee, Mr. Poon Chung Yin Joseph, Dato’ Tan Bian Ee and Ms. Chang Carmen I-Hua.