AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2018)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2007

INTERIM RESULTS

The board of directors (the "Board") of AAC Acoustic Technologies Holdings Inc. (the "Company") is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30th June, 2007 together with the unaudited comparative figures for the corresponding period in 2006. These interim financial statements have not been audited, but have been reviewed by the auditors, Deloitte Touche Tohmatsu, and the Company's audit committee (the "Audit Committee").

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30th June, 2007

	NOTES	**1.1.2007 to 30.6.2007 (Unaudited) *RMB'000***	1.1.2006 to 30.6.2006 *(Unaudited)* *RMB'000*
Turnover	*3*	**801,805**	815,688
Cost of goods sold		**(428,791)**	(402,997)
Gross profit		**373,014**	412,691
Other income		**13,677**	17,854
Fair value gain on foreign exchange linked notes		**2,543**	—
Distribution and selling expenses		**(54,030)**	(56,781)
Administrative expenses		**(117,575)**	(77,458)
Finance costs		**(301)**	(450)
Profit before taxation	*4*	**217,328**	295,856
Taxation	*5*	**(27,052)**	(19,571)
Profit for the period		**190,276**	276,285
Attributable to:			
Equity holders of the Company		**192,614**	276,291
Minority interests		**(2,338)**	(6)
		190,276	276,285
Earnings per share — Basic	*6*	**RMB15.46 cents**	RMB22.14 cents

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th June, 2007

	NOTES	**30.6.2007** **(Unaudited)** ***RMB'000***	31.12.2006 *(Audited)* *RMB'000*
Non-current assets			
Property, plant and equipment	*7*	**729,400**	618,842
Prepaid lease payments		**35,095**	7,921
Foreign exchange linked notes		**81,831**	79,288
Deposits made on acquisition of property, plant and equipment		**55,787**	55,712
Prepaid license rights		**9,308**	12,145
Development expenditure		**28,433**	—
		939,854	773,908
Current assets			
Inventories		**238,855**	188,470
Prepaid lease payments		**1,172**	—
Trade and other receivables	*8*	**467,083**	553,926
Amounts due from related companies		**260**	—
Amount due from a minority shareholder of a subsidiary		**7,615**	7,807
Taxation recoverable		**2,331**	2,168
Restricted bank deposits		**28,281**	26,952
Bank balances and cash		**1,085,303**	988,992
		1,830,900	1,768,315
Current liabilities			
Trade and other payables	*9*	**309,685**	374,010
Amounts due to related companies		**9,000**	11,165
Taxation payable		**21,994**	22,000
Short-term bank loans	*10*	**190,353**	10,000
		531,032	417,175
Net current assets		**1,299,868**	1,351,140
Net assets		**2,239,722**	2,125,048
Capital and reserves			
Share capital	*11*	**100,530**	101,342
Reserves		**2,127,830**	2,009,793
Equity attributable to equity holders of the Company		**2,228,360**	2,111,135
Minority interests		**11,362**	13,913
Total equity		**2,239,722**	2,125,048

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements 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 the International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st December, 2006.

In the current period, the Group has applied, for the first time, a number of new International Financial Reporting Standards ("IFRS"), amendments and interpretations (hereinafter collectively referred to as "new IFRSs"), which are effective for accounting periods beginning on 1st January, 2007. The adoption of these new IFRSs has had no material effect on how the results and financial position for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standard, amendment or interpretations that have been issued but are not yet effective:

IAS 23 (Revised)	Borrowing costs[1]
IFRS 8	Operating segments[1]
IFRIC 11	IFRS 2: Group and treasury share transactions[2]
IFRIC 12	Service concession arrangements[3]
IFRIC 13	Customer loyalty programmes[4]
IFRIC 14	IAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction[3]

[1] Effective for annual periods beginning on or after 1st January, 2009.
[2] Effective for annual periods beginning on or after 1st March, 2007.
[3] Effective for annual periods beginning on or after 1st January, 2008.
[4] Effective for annual periods beginning on or after 1st July, 2008.

The directors of the Company anticipate that the application of these standard, amendment or interpretations will have no material impact on the results and financial position of the Group.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the period.

Business segments

Over 90% of the Group's turnover, segment results and assets are attributable to the manufacture and sales of acoustic related products, thus business segment information is not presented.

Geographical segments

The Group's primary format for reporting segment information is geographical segments.

	1.1.2007 to 30.6.2007	1.1.2006 to 30.6.2006
	RMB'000	*RMB'000*
Turnover		
United States of America	**331,095**	251,508
Greater China	**333,521**	442,292
Asia (excluding Greater China)	**51,612**	48,453
Europe	**85,577**	73,435
	801,805	815,688
Results		
United States of America	**84,242**	90,606
Greater China	**87,710**	145,223
Asia (excluding Greater China)	**9,718**	18,119
Europe	**20,890**	26,411
	202,560	280,359
Other income	**3,899**	6,086
Interest income	**9,778**	11,768
Fair value gain on foreign exchange linked notes	**2,543**	—
Unallocated expenses	**(1,151)**	(1,907)
Finance costs	**(301)**	(450)
Profit before taxation	**217,328**	295,856
Taxation	**(27,052)**	(19,571)
Profit for the period	**190,276**	276,285

4. PROFIT BEFORE TAXATION

	1.1.2007 to 30.6.2007	1.1.2006 to 30.6.2006
	RMB'000	*RMB'000*
Profit before taxation has been arrived at after charging:		
Depreciation	**34,364**	21,437
Allowance for bad and doubtful debts	**—**	3,257
Loss on disposal of property, plant and equipment	**—**	525

5. TAXATION

	1.1.2007 to 30.6.2007	1.1.2006 to 30.6.2006
	RMB'000	*RMB'000*
The charge comprises:		
Hong Kong Profits Tax	**2**	986
PRC Income Tax	**27,044**	18,578
Overseas taxation	**6**	7
	27,052	19,571

Pursuant to the relevant laws and regulations in the People's Republic of China (the "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.

On 16th March, 2007, the Enterprise Income Tax Law (the "new EIT law") was passed at the Fifth session of the Tenth National People's Congress of the PRC. The new EIT law will be effective as of 1st January, 2008. However, the detailed implementation rules regarding the new EIT law have not yet been issued and therefore the Group is not in a position to determine whether the Company's subsidiaries will still be entitled to the preferential tax treatment mentioned above.

Hong Kong Profits Tax, PRC Income Tax and overseas taxation is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

There was no significant unprovided deferred taxation during the period or at the balance sheet date.

6. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30th June, 2007 is based on the profit for the period attributable to equity holders of the Company of RMB192,614,000 (2006: RMB276,291,000) and on the 1,246,052,000 (2006: 1,248,000,000) weighted average number of shares in issue during the period.

7. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group made additions to property, plant and equipment of approximately RMB146 million (For the six months ended 30th June, 2006: RMB95 million) on acquisition of property, plant and equipment, including transfers from deposits of approximately RMB56 million (For the six months ended 30th June, 2006: RMB19 million).

8. TRADE RECEIVABLES AND NOTES 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 and notes receivables at the balance sheet date:

	30.6.2007	31.12.2006
	RMB'000	*RMB'000*
Age		
Not yet due	**420,271**	439,498
Overdue 0–90 days	**5,638**	62,816
Overdue 91–180 days	**31**	3,890
Overdue over 181 days	**428**	923
	426,368	507,127

9. TRADE PAYABLES AND NOTES PAYABLES

The following is an aged analysis of trade payables and notes receivables at the balance sheet date:

	30.6.2007	31.12.2006
	RMB'000	*RMB'000*
Age		
Not yet due	**172,495**	224,295
Overdue 0–90 days	**4,502**	13,660
Overdue 91–180 days	**357**	47
Overdue over 181 days	**1,540**	1,431
	178,894	239,433

10. SHORT-TERM BANK LOANS

During the period, the Group raised new short-term bank loans of RMB190 million (For the six months ended 30th June, 2006: RMB30 million) and made repayments of RMB10 million (For the six months ended 30th June, 2006: RMB35 million). The short-term bank loans are unsecured and carry interest at 1.25% per annum over London Inter-bank Offered Rate (As at 31st December, 2006: fixed rate of 5.03% per annum).

11. SHARE CAPITAL

	Number of shares	Amount
		US$'000
Shares of US$0.01 each		
Authorised:		
Ordinary shares	4,975,000,000	49,750
Series A preferred shares	15,000,000	150
Series B preferred shares	10,000,000	100
At 1st January, 2007 and 30th June, 2007	5,000,000,000	50,000
Issued and fully paid:		
Ordinary shares at 1st January, 2007	1,248,000,000	12,480
Share repurchased and cancelled	(10,000,000)	(100)
Ordinary shares at 30th June, 2007	1,238,000,000	12,380

	RMB'000
Shown in the balance sheet at 1st January, 2007	101,342
Share repurchased and cancelled	(812)
At 30th June, 2007	100,530

During the period, the Company repurchased 10,000,000 of its issued ordinary shares for a total consideration of RMB74,355,000. The ordinary shares repurchased were cancelled and have been debited to the share capital and share premium account.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

We are one of the world's leading manufacturers of miniature acoustic components. We design, manufacture and distribute 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 MP3 players and MP4 players. Recently, we also launched the production of a variety of miniature vibrators to diversify into the production of non-acoustic components. We believe that our strong research and product development capabilities, as well as our vertically-integrated and semi-automated production processes, have continued to enable us to produce advanced miniature components that can meet our customers' strict requirements for performance, quality and cost.

Market Review

Business environment during the first half of 2007 was extremely tough as our handset customers were faced with fierce competition. Nonetheless, we weathered the tough conditions fairly well with sales to selected customers increasing significantly. We are proud of the fact that we started product shipment to one of the largest global handset manufacturer by the end of July 2007. This is in-line with our group strategy to diversify into new customers as well as new applications. Our research and development expenditure in the second quarter of 2007 were higher than usual as we were trying to ramp up the production platforms for the new customer.

To cope with the development of our new product, "speaker box plus antenna", we have acquired an antenna design house in Sweden. The staff of this design house has had extensive experience in developing, manufacturing and selling antennas to several leading mobile handset manufacturers. It is a common solution in the industry to use the speaker box as a carrier for the antenna and we will further strengthen our integrated solution in this respect to satisfy our customers' need. We intend to offer a turnkey solution with full control from design to manufacturing to quality control.

At the end of 2006, Knowles Electronics, LLC ("Knowles") filed a motion for a preliminary injunction to bar the Company from producing and selling MEMS microphones, allegedly claiming that the Company was involved in unfair trade practices including misappropriation of trade secrets. Subsequently, on 9th March, 2007, the United States District Court for the Northern District of Illinois denied Knowles' motion finding it to be without merit. We continue to believe that the entire suit is without merit and the Company will vigorously defend itself. We incurred RMB3.3 million of legal fees during the second quarter of 2007 with respect to this lawsuit.

Financial Review

Our revenue for the six months ended 30th June, 2007 was RMB801.8 million, representing a decrease of RMB13.9 million, or 1.7%, compared to corresponding period in 2006. Overall gross margin was 46.5% for the six months ended 30th June, 2007, compared with 50.6% for the corresponding period of 2006. Net profit attributable to equity holders of the Company was RMB192.6 million for the six months ended 30th June, 2007 compared with RMB276.3 million for the corresponding period of 2006. Basic earnings per share was RMB15.46 cents, representing a decrease of 30.2% from RMB22.14 cents for the corresponding period of 2006.

Gearing Ratio

The gearing ratio of the Group, computed by dividing the short-term bank loans by the total assets, as at 30th June, 2007 was 6.9% compared with 0.4% as at 31st December, 2006.

Indebtedness

As of 30th June, 2007, the Group had RMB190.4 million short-term bank loans compared with RMB10.0 million as at 31st December, 2006.

Contingent Liabilities

The Company and a subsidiary have been named as defendants in a United States District Court action in respect of an alleged claim of trade secret misappropriation under the Illinois Trade Secrets Act (the "Complaint"). The Complaint seeks injunctive relief and damages for an unspecified account. The Group believes that it has meritorious defenses to the Complaint and thus no provision for any potential liability has been made in the consolidated financial statement.

A hearing on the preliminary injunction began on 20th February, 2007 and a ruling in the Group's favour denying the motion was announced by the Court and thereafter formally filed by the Court on 13th March, 2007.

Liquidity, Financial Resources and Capital Structure

As at 30th June, 2007, the Group had RMB1,085.3 million in cash and cash equivalents. In addition, the Group had restricted short-term bank deposits of RMB28.3 million. The Group had no long-term debt as at 30th June, 2007. 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 need of the Group for capital.

Foreign Exchange

The majority of the Group's sales, purchases and operating expenses were denominated in RMB, U.S. 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. Management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise. The Group has entered into foreign exchange linked contracts to minimise the effect of exchange rate fluctuations between the RMB and the U.S. dollars.

Charges on Group Assets

As at 30th June, 2007, no Group asset was under charge to any financial institution.

Material Acquisition or Disposals of subsidiaries and Associated Company

During the six months ended 30th June, 2007, the Group had no material acquisition and disposal.

Future Plans for Material Investments

Our future investment plan will focus on MEMS microphones, SMD microphones, linear vibrators, SMD vibrators, pancake vibrators, and speaker box plus antenna. We may also invest in other non-acoustic products if the suitable opportunity arises.

Employee Information

As at 30th June, 2007, the Group employed 9,909 permanent employees worldwide. Various training activities were provided to the employees for improving the quality of services as well as for ensuring the smooth and effective operation of the Group's business.

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 appraise work performance of its staff.

Employee remunerations include salaries, allowances, social insurance or mandatory pension fund. As required by PRC regulations, the Group participated in the social insurance schemes operated by the relevant local government authorities. The Group also participated in the mandatory pension fund and social insurance schemes for our employees in Hong Kong, the United States of America and Europe.

Dividends

The form, frequency and amount of future dividends on the shares of the Company will depend on the Group's earnings and financial position, results of operations, capital needs, plans for expansion and other factors as the Board may deem appropriate. The Board may recommend the amount of dividends to be declared and the declaration and payments of dividends will be determined by the shareholders in general meeting. The amount of dividends to be declared shall not be in excess of the amount recommended by the Board.

No dividends have been paid or declared by the Company for the six months ended 30th June, 2007.

Prospects

Going forward, we will continue to enhance our research and development capabilities as well as our engineering expertise and manufacturing know-how so that we can continue to satisfy customers' requirements for smaller and better quality miniature components. We are proud of the fact that we started product shipment to a key global handset manufacturer in late July. Being qualified by this particular handset customer is a strong testimony to our superior technology platform, advanced precision manufacturing technologies and flexible production lines. We are confident that we can continue to win new customers in the future - not just mobile handset customers, but also customers from other industries such as game consoles and notebooks. Development of our new products (SMD vibrators, linear vibrators, pancake vibrators, MEMS microphones, SMD microphones, speaker box plus antenna, stereo handsfree) is on track and we expect sales of such new products to gain traction going forward. We are excited about the future as we expect strong growth in all our major product lines, in particular speakers, speaker modules and microphones. We will continue to develop new and more advanced technologies to cater to our customers' strict requirements for performance, quality and cost.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th June, 2007, the Company repurchased 10 million of its own shares.

CORPORATE GOVERNANCE

During the six months ended 30th June, 2007, 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.

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, 2007.

AUDIT COMMITTEE

The Board has established an Audit Committee on 16th April, 2005. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group.

The Audit Committee comprises two independent non-executive Directors, namely, Mr. Mok Joe Kuen Richard and Mr. Koh Boon Hwee and a non-executive Director, Ms. Ingrid Chunyuan Wu. Mr. Mok Joe Kuen Richard is the chairman of the Audit Committee.

The Audit Committee and the auditors of the Company, Deloitte Touche Tohmatsu, have reviewed and discussed with the management regarding the Company's unaudited consolidated interim financial statements for the six months ended 30th June, 2007.

DEFINITIONS

"MEMS microphone"	Micro Electro Mechanical Systems (''MEMS'') microphones are compact, light weight and based on MEMS technology. MEMS is based on semiconductor technology which uses silicon to create pathways for electricity within components
"SMD"	Surface Mount Device which is readily fed into a SMT production line

By order of the Board
AAC Acoustic Technologies Holdings Inc.
Koh Boon Hwee
Chairman

Hong Kong, 14th September, 2007

As at the date of this announcement, the Board of Directors of the Company comprises an executive director, Mr. Benjamin Zhengmin Pan; three non-executive directors, Ms. Ingrid Chunyuan Wu, Mr. Pei Kang and Dr. Thomas Kalon Ng, and three independent non-executive directors, Mr. Koh Boon Hwee, Dr. Dick Mei Chang and Mr. Mok Joe Kuen Richard.