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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2011

FINANCIAL HIGHLIGHTS

Revenue of the AAC Technologies Holdings Inc. (the "**Company**" and together with its subsidiaries, collectively the "**Group**") for the year ended 31st December, 2011 amounted to RMB4,059.7 million, representing an increase of 21.2% from RMB3,349.0 million for the previous year. Profit attributable to owners of the Company for the year ended 31st December, 2011 amounted to RMB1,036.2 million, representing an increase of 5.0% from RMB986.7 million for the previous year.

RESULTS

The board of directors (the "**Directors**") of the Company (the "**Board**") hereby announces the audited consolidated financial statements of the Group for the year ended 31st December, 2011 together with the comparative figures for the previous year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2011

	NOTES	2011 RMB'000	2010 RMB'000
Revenue	3	**4,059,687**	3,349,020
Cost of goods sold		**(2,275,273)**	(1,838,655)
Gross profit		**1,784,414**	1,510,365
Other income		**66,828**	46,744
Net fair value loss on foreign currency forward contracts		**(3,829)**	(611)
Gain on deregistration of a subsidiary		**-**	583
Distribution and selling expenses		**(136,875)**	(110,023)
Administrative expenses		**(153,482)**	(126,886)
Research and development costs		**(358,238)**	(213,636)
Share of results of associates		**(19,154)**	810
Exchange loss		**(32,592)**	(4,936)
Finance costs	4	**(5,513)**	(3,272)
Profit before taxation	5	**1,141,559**	1,099,138
Taxation	6	**(108,626)**	(111,661)
Profit for the year		**1,032,933**	987,477
Other comprehensive expense:			
Exchange differences arising from translation		**(20,035)**	(28,854)
Exchange difference released on deregistration of a subsidiary		**-**	(583)
Other comprehensive expense		**(20,035)**	(29,437)
Total comprehensive income for the year		**1,012,898**	958,040
Profit for the year attributable to:			
Owners of the Company		**1,036,192**	986,730
Non-controlling interests		**(3,259)**	747
		1,032,933	987,477
Total comprehensive income and expense attributable to:			
Owners of the Company		**1,017,289**	957,205
Non-controlling interests		**(4,391)**	835
		1,012,898	958,040
Earnings per share - Basic	8	**RMB84.38 cents**	RMB80.35 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31st December, 2011

	NOTES	2011 RMB'000	2010 RMB'000
Non-current assets			
Property, plant and equipment	9	**2,697,120**	1,751,559
Goodwill		**11,803**	6,753
Prepaid lease payments		**109,290**	98,278
Deposits made on acquisition of property, plant and equipment		**123,428**	153,367
Deposits paid for additional interests in an associate		**-**	26,417
Available-for-sale investment	10	**3,254**	-
Interests in associates	11	**181,882**	103,749
Intangible assets		**162,144**	41,325
		3,288,921	2,181,448
Current assets			
Inventories		**558,780**	342,943
Trade and other receivables	12	**1,487,575**	1,292,678
Amounts due from related companies		**-**	173
Foreign currency forward contracts	13	**1,139**	585
Taxation recoverable		**2,868**	3,348
Pledged bank deposits		**874**	28,035
Bank balances and cash		**1,374,069**	1,734,609
		3,425,305	3,402,371
Current liabilities			
Trade and other payables	14	**898,742**	857,391
Amounts due to related companies		**19,656**	16,423
Taxation payable		**77,475**	54,597
Foreign currency forward contracts	13	**65**	9,231
Short-term bank loans	15	**891,128**	470,286
		1,887,066	1,407,928
Net current assets		**1,538,239**	1,994,443
Total assets less current liabilities		**4,827,160**	4,175,891
Non-current liabilities			
Deferred tax liabilities		**15,738**	-
		4,811,422	4,175,891
Capital and reserves			
Share capital		**99,718**	99,718
Reserves		**4,650,352**	4,074,827
Equity attributable to owners of the Company		**4,750,070**	4,174,545
Non-controlling interests		**61,352**	1,346
Total equity		**4,811,422**	4,175,891

NOTES TO THE RESULTS ANNOUNCEMENT
For the year ended 31st December, 2011

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied the following new and revised standards and interpretations:

IAS 24 (as revised in 2009)	Related party disclosures
Amendments to IAS 32	Classification of rights issues
Amendments to IFRSs	Improvements to IFRSs issued in 2010
IFRIC 14	Prepayments of a minimum funding requirement
IFRIC 19	Extinguishing financial liabilities with equity instruments

The application of the above new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

New and revised standards and interpretations issued but not yet effective

The Group has not early applied the following new and revised standards and interpretations that have been issued but are not yet effective:

Amendments to IFRS 7	Disclosures - Transfers of financial assets[1]
	Disclosures - Offsetting financial assets and financial liabilities[2]
	Mandatory effective date of IFRS 9 and transition disclosures[3]
IFRS 9	Financial instruments[3]
IFRS 10	Consolidated financial statements[2]
IFRS 11	Joint arrangements[2]
IFRS 12	Disclosure of interests in other entities[2]
IFRS 13	Fair value measurement[2]
Amendments to IAS 1	Presentation of items of other comprehensive income[5]
Amendments to IAS 12	Deferred tax - Recovery of underlying assets[4]
IAS 19 (as revised in 2011)	Employee benefits[2]
IAS 27 (as revised in 2011)	Separate financial statements[2]
IAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
Amendments to IAS 32	Offsetting financial assets and financial liabilites[6]
IFRIC 20	Stripping costs in the production phase of a surface mine[2]

[1] Effective for annual periods beginning on or after 1st July, 2011.
[2] Effective for annual periods beginning on or after 1st January, 2013.
[3] Effective for annual periods beginning on or after 1st January, 2015.
[4] Effective for annual periods beginning on or after 1st January, 2012.
[5] Effective for annual periods beginning on or after 1st July, 2012.
[6] Effective for annual periods beginning on or after 1st January, 2014.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) - CONTINUED

IFRS 9 Financial instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are described as follows:

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The Directors anticipate that the adoption of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group’s financial assets. Regarding the Group’s financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 “Consolidated and separate financial statements” that deal with consolidated financial statements and SIC 12 “Consolidation - Special purpose entities”. IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 “Interests in joint ventures” and SIC 13 “Jointly controlled entities - Non-monetary contributions by venturers”. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - CONTINUED

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1st January, 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1st January, 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of IFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated (e.g. the Group's investment in associates may become the Group's subsidiaries based on the new definition of control and the related guidance in IFRS 10). The Directors are currently assessing the impact on the adoption of these standards and is yet to quantify the impact.

IFRS 13 Fair value measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 "Financial instruments: Disclosures" will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The Directors anticipate that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1st January, 2013 and that the application of the new standard will result in more extensive disclosures in the consolidated financial statements.

Amendments to IAS 1 Presentation of items of other comprehensive income

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after 1st July, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the annual period beginning 1st January, 2012.

3. SEGMENT INFORMATION

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

Information reported to the CEO for the purpose of resource allocation and assessment of performances focuses specifically on the type of products sold. The Group's operating and reportable segments under IFRS 8 are dynamic components (mainly including receivers and polyphonic speakers normally sold together in sets), microphones, headsets and other products (mainly including transducers and vibrators), which represent the major types of products manufactured and sold by the Group.

Information regarding these segments is presented below.

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

	2011	2010
	RMB'000	*RMB'000*
Operating segments		
Segment revenue from external customers		
Dynamic components	**3,228,298**	2,482,872
Microphones	**459,233**	366,242
Headsets	**119,314**	232,917
Other products	**252,842**	266,989
Revenue	**4,059,687**	3,349,020
Segment results		
Dynamic components	**1,557,151**	1,269,494
Microphones	**153,254**	114,771
Headsets	**10,438**	65,489
Other products	**63,571**	60,611
Total profit for operating segments	**1,784,414**	1,510,365
Unallocated amounts:		
Interest income	**27,913**	23,032
Other income	**38,915**	24,295
Net fair value loss on foreign currency forward contracts	**(3,829)**	(611)
Distribution and selling expenses	**(136,875)**	(110,023)
Administrative expenses	**(153,482)**	(126,886)
Research and development costs	**(358,238)**	(213,636)
Share of results of associates	**(19,154)**	810
Exchange loss	**(32,592)**	(4,936)
Finance costs	**(5,513)**	(3,272)
Profit before taxation	**1,141,559**	1,099,138

There are no inter-segment sales for both years. No analysis of the Group's assets and liabilities by operating segments is disclosed as such information is not regularly provided to the CEO for review.

3. SEGMENT INFORMATION - CONTINUED

Depreciation and amortisation included in measure of segment results are as follows:

	2011 *RMB'000*	2010 *RMB'000*
Dynamic components	**132,434**	104,366
Microphones	**20,335**	14,619
Headsets	**4,704**	3,622
Other products	**10,522**	8,975
	167,995	131,582
Other unallocated expenses	**91,293**	65,406
	259,288	196,988

Segment profit represents the profit earned by each segment without allocation of finance costs, interest income, administration expenses, research and development costs, distribution and selling expenses, other income, net fair value loss on foreign currency forward contracts, exchange loss and the share of results of associates. This is the measure reported to the CEO for the purpose of resource allocation and performance assessment.

Over 90% of the Group's non-current assets other than financial instruments were located in the PRC, the place of domicile of the relevant group entities that hold those assets.

The Group's revenue from external customers analysed by location of customers are detailed below:

	2011 *RMB'000*	2010 *RMB'000*
Greater China* (country of domicile)	**609,074**	514,713
Other foreign countries:		
Other Asian countries	**147,455**	96,885
America	**2,197,562**	1,536,154
Europe	**1,105,596**	1,201,268
	4,059,687	3,349,020

* Greater China comprises the PRC, Hong Kong and Taiwan. Majority of the revenue from Greater China were derived from the PRC.

The geographical information of the Group's revenue from external customer by individual countries in Europe and America is not available. In the opinion of management, such disclosure is harmful to the Group's business.

During the year, the aggregate amount of revenue derived from the Group's top customers which individually has contributed to over 10% of the Group's revenue, amounted to RMB2,224,268,000 (2010: RMB2,091,906,000). These revenue were derived from two (2010: three) customers and included in all of the Group's segments. No disclosure of the total amount of revenue by each customer is disclosed, as in the opinion of the Directors such disclosure is harmful to the Group's business.

4. FINANCE COSTS

	2011 *RMB'000*	2010 *RMB'000*
Interest on bank borrowings wholly repayable within five years	**5,513**	3,272

5. PROFIT BEFORE TAXATION

	2011 *RMB'000*	2010 *RMB'000*
Profit before taxation has been arrived at after charging:		
Directors' emoluments	**10,673**	6,899
Other staff's retirement benefits scheme contributions	**38,394**	25,007
Other staff costs	**873,682**	616,377
Total staff costs	**922,749**	648,283
Less: Staff costs included in research and development costs	**(145,945)**	(85,500)
	776,804	562,783
Depreciation	**243,343**	188,966
Less: Depreciation included in research and development costs	**(36,614)**	(21,733)
	206,729	167,233
Amortisation of intangible assets	**15,945**	8,022
Net allowance for bad and doubtful debts	**908**	17
Allowance for obsolete inventories, included in cost of goods sold	**6,223**	7,245
Auditor's remuneration	**2,305**	2,270
Cost of inventories recognised as expense	**2,275,273**	1,838,655
Cost of raw materials included in research and development costs	**98,510**	51,014
Loss on disposal of property, plant and equipment	**6,112**	2,639
Operating lease rentals in respect of		
- building premises	**24,719**	22,791
- prepaid lease payments	**2,283**	1,703
- equipment	**87**	230
and after crediting:		
Government grants *	**24,796**	9,588
Interest income	**27,913**	23,032
Rental income	**931**	904

* The amount mainly represents the incentives granted by the PRC local authorities to the Group for engaging in High Technology business, employment of expatriates and technologically advanced staff. All the grants were approved and received during the year of recognition.

6. TAXATION

	2011 *RMB'000*	2010 *RMB'000*
The current tax charge (credit) comprises:		
PRC income tax	**75,512**	90,553
Other jurisdictions	**34,061**	20,304
(Overprovision) underprovision of taxation in prior years	**(333)**	804
	109,240	111,661
Deferred tax	**(614)**	-
	108,626	111,661

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% from 1st January, 2008 onwards.

Taxation in other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year is reconciled to the profit before taxation as follows:

	2011 *RMB'000*	2010 *RMB'000*
Profit before taxation	**1,141,559**	1,099,138
Tax at the applicable income tax rate*	**285,389**	274,785
Tax effect of income not taxable for tax purposes	**(8,718)**	(9,980)
Tax effect of expenses not deductible for tax purposes	**1,059**	1,079
Tax effect of Tax Holiday	**(156,210)**	(151,538)
Tax effect of tax losses not recognised	**4,618**	84
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(17,095)**	(2,553)
(Overprovision) underprovision in prior years	**(333)**	804
Others	**(84)**	(1,020)
Tax charge for the year	**108,626**	111,661

* The PRC Enterprise Income Tax rate of 25% (2010: 25%) is the domestic tax rate in the jurisdiction where the operations of the Group are substantially based.

7. DIVIDENDS

	2011 *RMB'000*	2010 *RMB'000*
Dividends recognised as distribution during the year:		
2010 final dividend of HK23.7 cents (2009: HK15.5 cents) per ordinary share	**242,025**	166,774
2011 interim dividend of HK20.0 cents (2010: HK14.2 cents) per ordinary share	**200,017**	150,262
	442,042	317,036

Subsequent to end of the reporting period, 2011 proposed final dividend of HK21.6 cents (2010: HK23.7 cents) per share has been proposed by the Board of Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year ended 31st December, 2011 is based on the profit for the year attributable to owners of the Company of RMB1,036,192,000 (2010: RMB986,730,000) and on the number of ordinary shares of 1,228,000,000 shares in issue during the year (2010: 1,228,000,000 shares).

No diluted earnings per share is presented as there were no potential ordinary shares outstanding during both years.

9. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the year, the Group made additions to property, plant and equipment of approximately RMB1,193 million (2010: RMB580 million) on acquisition of property, plant and equipment, including transfers from deposits of approximately RMB153 million (2010: RMB30 million).

10. AVAILABLE-FOR-SALE INVESTMENT

	2011 *RMB'000*	2010 *RMB'000*
Unlisted shares, at cost	**3,254**	-

In the current year, the Group has acquired 4.6% equity interest in an unlisted company which was incorporated in Korea. The Company is engaged in research and development of integrated circuits. The investment is measured at cost less impairment as the range of reasonable fair value estimates is so significant that the Directors are of the opinion that the fair value cannot be measured reliably.

11. INTEREST IN ASSOCIATES

	2011 *RMB'000*	2010 *RMB'000*
Cost of investments in associates, unlisted	**200,226**	102,939
Share of post-acquisition (loss) profits and other comprehensive (expense) income	**(18,344)**	810
	181,882	103,749

Details of the Group's principal associates are as follows:

Name of associate	Place of incorporation	Percentage equity interest 2011 %	2010 %	Principal activity
Heptagon Advance Micro-Optics Pte. Ltd. ("Heptagon")*	Singapore	26.7%	16.4%	Micro-optics business
Kaleido Technology ApS ("Kaleido")**	Denmark	-	32.0%	Wafer-level glass lens precision moulding business
Xenon Technology (Cayman) Limited ("Xenon")	Cayman Islands	39.2%	39.2%	Design and manufacture of Xenon-based flash lamp and flash modules
Mems Technology Pte. Ltd. ("MemsTech")	Singapore	50.0%***	-	Design and manufacture of MEMS products

* In October 2011, Heptagon Oy completed a change of domicile from Finland to Singapore by establishing Heptagon Advanced Micro-Optics Pte. Ltd.. As a result, the entity of the Group's investment in this associate company changed from Heptagon Oy to Heptagon Advanced Micro-Optics Pte. Ltd..

** Kaleido became a subsidiary of the Group upon the step acquisition during the year, see note 16.

*** During the year, the Group acquired MemsTech for a total consideration of RMB38.3 million. According to the shareholder's agreement, the Group has the right to appoint 2 out of 4 directors. The chairman, who has casting vote, is appointed by the other shareholder. Thus, the Group only has significant influence on MemsTech, and investment was accounted for as an associate as at 31st December, 2011.

Included in the cost of investment in associates is goodwill of RMB41.7 million (2010: RMB31.1 million) arising on acquisitions of associates.

During the year, the management assessed the associates for impairment with reference to its recoverable amount. The recoverable amount was determined based on the value in use calculations using the cashflow projections based on financial budget for the next 3 to 5 years approved by management. Cash flows beyond the budgeted period have extrapolated using a rate of 2%. Discount rates of 16% to 19.4% were used, which were determined based on the weighted average cost of capital of the investees. Based on the estimated recoverable amount, no impairment loss was considered necessary.

11. INTEREST IN ASSOCIATES - CONTINUED

Summarised financial information in respect of the assets and liabilities and post-acquisition results of the Group's associates are set out below:

	2011	2010
	RMB'000	*RMB'000*
Total assets	**583,867**	214,898
Total liabilities	**(178,389)**	(139,433)
	405,478	75,465
Revenue	**473,132**	144,861
(Loss) profit for the year	**(61,616)**	2,223
Group's share of (loss) profit of associates for the year	**(19,154)**	810

12. TRADE AND OTHER RECEIVABLES

	2011	2010
	RMB'000	*RMB'000*
Trade receivables	**1,178,212**	996,311
Bank acceptance bills	**40,971**	25,856
	1,219,183	1,022,167
Advance payment to suppliers	**146,433**	126,212
Prepayments	**7,698**	5,477
Other receivables	**114,261**	138,822
	1,487,575	1,292,678

The following is an analysis of trade receivables by age, presented based on the invoice date. The analysis below is net of allowance for doubtful debts.

	2011	2010
	RMB'000	*RMB'000*
Age		
0 - 90 days	**1,064,770**	857,178
91 - 180 days	**131,535**	158,971
Over 180 days	**22,878**	6,018
	1,219,183	1,022,167

12. TRADE AND OTHER RECEIVABLES - CONTINUED

Payment terms with customers are mainly on credit. Invoices are normally payable within 45 days to 120 days of issuance. The Group accepts bank acceptance bills with maturities ranging from 30 to 180 days at the end of the credit terms in lieu of immediate cash payment. The following is an aged analysis of trade receivables and bank acceptance bills which are past due but not impaired:

	2011	2010
	RMB'000	*RMB'000*
Age		
Overdue 0 - 90 days	**103,710**	158,971
Overdue 91 - 180 days	**9,954**	4,576
Overdue over 180 days	**4,945**	1,442
	118,609	164,989

Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good credit quality. Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of RMB118,609,000 (2010: RMB164,989,000) which are past due at the reporting date for which the Group has not provided for impairment loss. Based on historical experience the Group considers the amounts which are past due and which impairment loss has not been provided for to be of good credit quality and they are expected to be recovered. The Group does not hold any collateral over these balances.

The following is a movement in the allowance for bad and doubtful debts account:

	2011	2010
	RMB'000	*RMB'000*
Balance at beginning of the year	**4,970**	10,079
Currency realignment	**(121)**	(144)
Allowance for bad and doubtful debts	**3,722**	17
Reversal of allowance for bad and doubtful debts	**(2,814)**	-
Amounts written off as uncollectible	**-**	(4,982)
Balance at end of the year	**5,757**	4,970

Allowances are recognised based on the Group's historical experience, aging analysis and internal assessment of the recoverability of the debt.

The Group's trade receivables which are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2011	2010
	RMB'000	*RMB'000*
US$	**179,550**	168,703
Euro	**101,944**	95,178
Japanese Yen	**-**	772
HK$	**9**	135

13. FOREIGN CURRENCY FORWARD CONTRACTS

	Assets		Liabilities	
	2011	2010	**2011**	2010
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Foreign currency forward contracts	**1,139**	585	**65**	9,231

Details of the foreign currency forward contracts entered into by the Group with certain banks and outstanding as at the end of the reporting period (the "Forward Contracts") are as follows:

At 31st December, 2011:

Description	**Settlement date**	**Exchange rates**
4 contracts to sell in aggregate Euro 3 million for US$	Settled monthly on various dates from 19th January, 2012 until 29th February, 2012	At exchange rates ranging from US$1.395 to US$1.43 for Euro 1.
4 contracts to purchase in aggregate US$4 million for RMB	Settled monthly on various dates from 1st February, 2012 until 27th April, 2012	At exchange rates ranging from RMB6.3494 to RMB6.38 for US$.
4 contracts to sell in aggregate US$4 million for RMB	Settled monthly on various dates from 19th January, 2012 until 23th April, 2012	At exchange rates ranging from RMB6.3784 to RMB6.406 for US$.

At 31st December, 2010:

Description	**Settlement date**	**Exchange rates**
4 contracts to sell in aggregate Euro 30.5 million for US$	Settled monthly on various dates from 13th January, 2011 until 13th July, 2011	At exchange rates ranging from US$1.29 to US$1.336 for Euro 1.
4 contracts to purchase in aggregate US$4 million for RMB	Settled monthly on various dates from 18th January, 2011 until 18th April, 2011	At exchange rates ranging from RMB6.6253 to RMB6.6778 for US$.
4 contracts to sell in aggregate US$4 million for RMB	Settled monthly on various dates from 14th January, 2011 until 14th April, 2011	At exchange rates ranging from RMB6.722 to RMB6.758 for US$.

At any time prior to maturity of certain of Forward Contracts, if the spot rate between the US$ and Euro falls below an agreed rate, the Forward Contracts will be automatically terminated. The Forward Contracts are not designated and effective as a hedging instrument. Therefore, the fair value gains or losses are recognised in profit or loss in the period in which they arise. At 31st December, 2011, the fair value of the Forward Contracts are determined by the respective issuing banks with reference to forward rates.

14. TRADE AND OTHER PAYABLES

	2011	2010
	RMB'000	*RMB'000*
Trade payables	**431,925**	389,422
Notes payables - secured	**204,544**	248,483
	636,469	637,905
Payroll and welfare payables	**82,265**	117,198
Other payables and accruals	**170,186**	92,466
Contingent consideration payable	**9,822**	9,822
	898,742	857,391

Other payables are unsecured, interest-free and have no fixed repayment terms.

An aged analysis of trade and notes payables, presented based on the invoice date, is as follows:

	2011	2010
	RMB'000	*RMB'000*
Age		
0 - 90 days	**556,916**	595,404
91 - 180 days	**78,607**	41,045
Over 180 days	**946**	1,456
	636,469	637,905

The Group's trade payables which are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2011	2010
	RMB'000	*RMB'000*
US$	**74,563**	40,813
HK$	**-**	18
Japanese Yen	**6,029**	6,260
Euro	**2,369**	1,780

15. SHORT-TERM BANK LOANS

The Group's short-term bank loans which are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2011	2010
	RMB'000	*RMB'000*
US$	**603,596**	352,596
Japanese Yen	**287,532**	51,823
HK$	**-**	65,867

These loans are unsecured and carry interest ranging from 0.4% to 0.8% per annum over London Inter-bank Offered Rate ("LIBOR") (as at 31st December, 2010: from 0.45% to 1.0% per annum over LIBOR).

16. ACQUISITION OF A BUSINESS

Acquisition in 2011

The Group held 31.95% equity interest in an associate, Kaleido, as at 31st December, 2010. Pursuant to an agreement entered between the Company and other shareholders of Kaleido, the Company acquired a further 38.95% equity interest in Kaleido for a consideration of RMB43,839,000. The transaction was completed on 31st March, 2011 and Kaleido is treated as a subsidiary of the Company from that date.

Kaleido is a private company incorporated in Denmark and engaged in wafer-level glass molding. The goodwill of RMB8,705,000 arising from the acquisition is attributable to the future economic benefits that are expected to accrue to the Group from operating synergies and revenue growth.

The following table summarises the consideration paid for Kaleido and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	Fair values *RMB'000*
The assets acquired and liabilities recognised at the date of acquisition were as follows:	
Property, plant and equipment	**4,214**
Intangible assets	**74,623**
Inventories	**380**
Trade and other receivables	**15,479**
Bank balances and cash	**4,424**
Trade and other payables	**(2,912)**
Deferred tax liabilities	**(16,352)**
	79,856
Goodwill arising on acquisition:	
Consideration	**43,839**
Add: Non-controlling interest	**23,238**
Fair value of previously held interest in Kaleido	**21,484**
Less: Net assets acquired	**(79,856)**
Goodwill arising on acquisition	**8,705**
Net cash outflow arising on acquisition:	
Cash consideration	**(43,839)**
Cash and cash equivalents acquired	**4,424**
Net outflow of cash and cash equivalents arising on acquisition	**(39,415)**

The non-controlling interest in Kaleido recognised at acquisition date was determined with reference to the proportionate share of the acquiree's net assets at the acquisition date.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

The intangible assets represent technical know-how in relation to wafer-level glass molding which is used to enhance the Group's current products. The fair value is estimated by an independent and professionally qualified valuer and calculated using relief from royalty method based on the cash flow projection, royalty rate and discount rate adopted by the management.

16. ACQUISITION OF A BUSINESS - CONTINUED

Acquisition in 2011 - continued

The trade and other receivables acquired amounting to RMB15,479,000 represents the fair value and the gross contractual amount. The best estimate at the date of acquisition is that all receivables will be collected.

Acquisition-related costs amounting to RMB158,000 have been excluded from the cost of acquisition and have been recognised directly as an expense in the period and included in the administrative expenses.

The fair value of the previously held interest held by the Group was estimated by an independent and professionally qualified valuer. The fair value estimates are calculated using discounted cash flow method based on cash flow projection, growth rate and discount rate adopted by the management. The Group recognised the non-controlling interests at the proportionate share of net assets of Kaleido.

The Group recognised a gain of RMB111,000 as a result of the remeasurement of previously held interest. The gain was included in other income for the period ended 30th June, 2011.

Kaleido contributed a revenue of RMB7,338,000 and a loss of RMB664,000 to the Group since the step acquisition.

Had Kaleido been consolidated from 1st January, 2011, the Group's consolidated statement of comprehensive income would have shown a revenue of RMB4,061,634,000 and the profit attributable to the equity holders of the Company would not be materially different.

Acquisition in 2010

On 1st October, 2010, the Group acquired a 96.4% equity interest in AAC Technologies Japan R&D Center Co., Ltd. ("AAC Japan") (Formerly known as I Square Research Co., Ltd.) from independent third parties. Total consideration paid for the acquisition was RMB12,289,000. AAC Japan is engaged in design and manufacture of compact lens modules. The acquisition was made to expand the optical products operation and support the growth strategies of the Group. The acquisition has been accounted for using the purchase method.

	RMB'000
Consideration transferred:	
Cash	2,467
Contingent consideration (note 14)	9,822
	12,289

Pursuant to the sales and purchase agreement the consideration payable is contingent on the sales volume of AAC Japan for a period of 14 months from the acquisition date. The target sales volume is divided into several stages and the contingent consideration is paid in cash to the sellers at each stage. The contingent consideration was determined with reference to future sales of AAC Japan based on the sales forecast for 14 months. The Directors estimate that the amount of contingent consideration payable will be between RMB9,822,000 and RMB10,278,000.

16. ACQUISITION OF A BUSINESS - CONTINUED

Acquisition in 2010 - continued

Acquisition-related costs amounting to RMB248,000 have been excluded from the consideration transferred and have been recognised as an expense for the year ended 31st December, 2010 within administrative expenses.

	Fair values *RMB'000*
The assets acquired and liabilities recognised at the date of acquisition were as follows:	
Property, plant and equipment	1,309
Intangible assets	23,083
Inventories	12
Trade and other receivables	1,998
Bank balances and cash	61
Trade and other payables	(5,536)
Bank loans	(9,856)
	11,071
Goodwill arising on acquisition:	
Consideration	12,289
Add: Non-controlling interest	130
Less: Net assets acquired	(11,071)
Goodwill arising on acquisition	1,348
Net cash outflow arising on acquisition:	
Cash consideration	(2,467)
Cash and cash equivalents acquired	61
Net outflow of cash and cash equivalents arising on acquisition	(2,406)

The goodwill is attributable to the anticipated profitability arising from the distribution of the Group's products in the new markets and the future operating synergies from the combination.

The goodwill arising on the acquisition is expected to be non-deductible for tax purpose.

AAC Japan contributed a revenue of RMB674,000 and a loss of RMB2,324,000 for the period from the date of acquisition to 31st December, 2010.

If the acquisition had been completed on 1st January, 2010, based on the unaudited management accounts of the subsidiary, the impact on the Group's revenue and profit for the year ended 31st December, 2010 would have been insignificant.

Non-controlling interests:

The non-controlling interests in AAC Japan recognised at the acquisition date was determined with reference to the proportionate share of the acquiree's net assets of the acquisition date and amounted to RMB130,000.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

AAC is one of the world's foremost vertically integrated manufacturers of miniature technology components. Our Company designs, manufactures and distributes a comprehensive suite of receivers, speakers, speaker modules, multi-function devices, microphones, vibrators, headsets, antennas and ceramic products. In the first half of 2011, the Company changed its name to "AAC Technologies Holdings Inc." to signify our capabilities in delivering acoustic as well as non-acoustic technology components solutions.

Our components are designed for use in mobile handsets, tablets, game consoles, notebook computers and other consumer electronics devices such as electronic book-readers and MP4 players. Our innovative technology design solutions cover wide ranging applications in different markets such as mobile telecommunications, consumer electronics, home appliances, automobile and medical.

We continue to deploy internal research and development resources on developing and expanding of our intellectual property portfolio. In addition, our management team is committed to identify and evaluate appropriate opportunities in forming alliances, investing or mergers and acquisitions in global companies and technologies that will further broaden and strengthen the Company's existing technology capabilities.

MARKET REVIEW

The year 2011 started with good momentum carried over from the latter half of 2010. The mobile devices market, driven by growth for smartphones and the launch of new tablets, showed secular growth throughout the year. There have been changes to ownership to the different global brands of the mobile handsets industry and new strategic alliances formed. When different brands executed their strategies, their market positions were reshuffled. We continue to offer quality miniature components designs by working closely with our key and new global customers and addressing their specific design requirements. As a result, the Company has delivered and sustained solid financial performance with revenue and profit growth for 2011.

The Company is focused on developing our in-house intellectual property to extend our technological leadership in miniaturized technology components beyond the acoustic arena. During 2011, we have successfully obtained 233 additional acoustic and non-acoustic patents, bringing our total portfolio to 649 patents. In the same period, we filed another 291 patents, which brings patents pending to a total of 480.

Leveraging on our research capability, design and production know-how, the broadening of our product range to include non-acoustic components, such as haptic vibrator components and ceramic products, will expand our offering of different technology solutions for the mobile devices market.

FINANCIAL REVIEW

Our strong performance in this year, generated RMB945.5 million in net cash flow from operations. Revenue of the Group ended 31st December, 2011 amounted to RMB4,059.7 million, an increase of RMB710.7 million, or 21.2%, compared with 2010. Gross profit of RMB1,784.4 million was RMB274.0 million, or 18.1%, higher than 2010. Profit attributable to owners of the Company amounted to RMB1,036.2 million, representing an increase of 5.0% from RMB986.7 million for the corresponding period of 2010. Basic earnings per share amounted to RMB84.38 cents, up 5.0% from RMB80.35 cents for 2010.

GEARING RATIO AND INDEBTEDNESS

The gearing ratio of the Group, computed by dividing short-term bank loans by total assets, was 13.3% as at 31st December, 2011 compared with 8.4% as at 31st December, 2010.

As at 31st December, 2011, the Group had RMB891.1 million of short-term bank loans compared with RMB470.3 million as at 31st December, 2010.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st December, 2011, the Group had RMB1,374.1 million in cash and cash equivalents. In addition, the Group had restricted short-term bank deposits of RMB0.9 million. Management believes that the Group's current cash and cash equivalents, together with available credit facilities and expected cash flow from operations, will be sufficient to satisfy the current operational requirements of the Group.

FOREIGN EXCHANGE

Given our international operations and presence, the Group faces foreign exchange exposure including transaction and translation exposure.

It is the Group's policy to centralize foreign exchange management to monitor total foreign currency exposure, to net off affiliate positions and to consolidate hedging transactions with banks. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a complete hedge is not possible, the Group will protect our anticipated foreign currency revenue with appropriate foreign exchange contracts.

The Group will not enter into derivative transactions for trading or speculative purposes.

During the year 2011, the Company has entered into foreign currency forward contracts to minimise the effect of exchange rate fluctuations between the Euro and the US dollar.

CHARGES ON GROUP ASSETS

Apart from the bank deposits amounts of RMB0.9 million and RMB28.0 million pledged to banks respectively as at 31st December, 2011 and 31st December, 2010, no other Group asset was under charge to any financial institution.

ACQUISITION OF A SUBSIDIARY

In June 2010, the Group acquired a 31.95% equity interest in Kaleido, a private company incorporated in Denmark and engaged in wafer-level glass molding. In accordance with the shareholders' agreement, the Company made further investment in Kaleido in March 2011 to acquire an additional 38.95% shareholding for a total consideration of DKK35.1 million (RMB43.8 million), thereby increasing our equity interest in Kaleido to 70.9%.

A goodwill of RMB8.7 million was attributed to the anticipated profitability arising from the distribution of the Group's products in the new markets and the future operating synergies from the combination.

EMPLOYEE INFORMATION

As at 31st December, 2011, the Group employed 13,789 permanent employees. Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. Management regularly reviews the Group's remuneration policy and appraises the work performance of its staff. Employee remuneration includes salaries, allowances, social insurance and mandatory pension fund. As required by the relevant regulations in the PRC, the Group participates in the social insurance schemes operated by the relevant local government authorities. The Group also participates in the mandatory pension fund and social insurance schemes for our employees in Hong Kong, Taiwan, Singapore, South Korea, USA and various countries in Europe.

PROSPECTS

With our sizeable global market share in acoustic product segment, we aim to increase existing market share by raising penetration level into new customers and moving up in the technology value-added of the components offered. Our strengths in research and development enable us to timely provide and ramp up new products platforms to serve existing and new customers. We will enhance our competitive edge in delivering vertically-integrated production models for complex customised components' solutions and from increased efficient use of fully automatic and semi-automatic manufacturing processes.

We strive to achieve long term sustainable growth by advancing our integrated solution products in the acoustic, optics, haptics and wireless solution segments. We believe our advanced components technology solutions will open up new industry markets in addition to the existing mobile devices sector.

Leveraging on a diversified customer base and a wide range of technology solutions, we are well-positioned for solid sustainable growth. Our ultimate goal is to become one of the world's leading micro components solution provider for manufacturers of different kind of consumer products.

DIVIDENDS

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

During the six months ended 31st December, 2011, an interim dividend in respect of the six months ended 30th June, 2011 of HK20.0 cents (2010: HK14.2 cents) per share was paid to shareholders of the Company.

The Board resolved to recommend the payment of a final dividend of HK21.6 cents (2010: HK23.7 cents) per ordinary share in respect of the year ended 31st December, 2011. This proposed final dividend together with the interim dividend already paid amount to total dividends of HK41.6 cents (2010: HK37.9 cents) representing a total payout ratio of about 40% of the profit attributable to owners of the Company for the year.

Subject to the shareholders' approval at the forthcoming annual general meeting to be held on 21st May, 2012, the said final dividend will be payable to shareholders of the Company, whose names appeared on the registers of members of the Company on 30th May, 2012 and payable on or about 6th June, 2012.

CLOSURES OF REGISTER OF MEMBERS

i. For attending and voting at the annual general meeting

The registers of members of the Company will be closed from 17th May, 2012 to 21st May, 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible for attending and voting at the forthcoming annual general meeting, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 16th May, 2012.

ii. For entitlement of proposed final dividend

The registers of members of the Company will be closed from 25th May, 2012 to 30th May, 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 24th May, 2012.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31st December, 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the "Code on Corporate Governance Practices" (the "**CG Code**") as set out in Appendix 14 of the Listing Rules throughout the year ended 31st December, 2011. Existing corporate governance practices of the Company already comply with a number of key new code provisions which will take effect from 1st April, 2012. The Board regularly reviews and enhances the Company's corporate governance framework and practices.

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 year ended 31st December, 2011.

AUDIT COMMITTEE

An Audit Committee has been properly constituted by the Board since April 2005 with clear terms of reference which are disclosed in our Company's website.

The Audit Committee's responsibilities include the oversight of the integrity of the Company's financial statements and of the Company's system of internal control and risk management. The Audit Committee needs to oversee management while ensuring that it does not step into the management's role. The Audit Committee relies heavily on internal audit to provide an objective view on how well the Company is handling a number of key risks and controls. The external auditors also provide the Audit Committee with assurance regarding the Company's financial reporting and any material weaknesses in internal control and risk management that they might come across as part of their review considered relevant to the audit. The Audit Committee oversees the relationship and coordination between the Company, internal audit and external auditors. The Audit Committee meets at least four times a year and when required, and meets the external auditors at least twice a year.

The Audit Committee comprises two independent non-executive Directors, namely Mr. Poon Chung Yin Joseph and Mr. Koh Boon Hwee and a non-executive Director, Ms. Ingrid Chunyuan Wu. Mr. Poon Chung Yin Joseph is the chairman of the Audit Committee.

The Audit Committee and the auditor of the Company, Deloitte Touche Tohmatsu, have discussed with the management regarding the Company's audited consolidated financial statements for the year ended 31st December, 2011.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee with written terms of reference in April 2005 which are posted on the Company's website. The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Koh Boon Hwee, Dato' Tan Bian Ee, and Ms. Chang Carmen I-Hua. Mr. Koh Boon Hwee is the chairman of the Remuneration Committee of the Company.

The responsibilities of the Remuneration Committee are to advise the Board in relation to the remuneration policy and structure of the executive Directors and senior management, and to review the fees and remuneration of the Chairman and other non-executive Directors prior to the annual general meeting. In addition, the Remuneration Committee considers management recommendation for key terms of new compensation and benefits plans and reviews management's remuneration proposals with reference to the Board's corporate goals and objectives.

NOMINATION COMMITTEE

The Company established a Nomination Committee with written terms of reference in April 2005 which are posted on the Company's website. The Nomination Committee currently comprises three independent non-executive Directors, namely Dato' Tan Bian Ee, Mr. Poon Chung Yin Joseph and Ms. Chang Carmen I-Hua. Dato' Tan Bian Ee is the chairman of the Nomination Committee.

The Nomination Committee is responsible for reviewing, advising and making recommendations to the Board on matters in relation to the structure, size and composition of the Board, the appointment and reappointment of Directors and the assessment on independence of independent non-executive Directors, and ensuring the proper and transparent established procedures are complied for the appointment and re-appointment of Directors.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st December, 2011 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu in this announcement.

APPRECIATION

Finally, on behalf of the Board, I would like to express my gratitude to our management and staff for their hard work and dedication throughout the year.

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

Hong Kong, 30th March, 2012

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.