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瑞聲科技控股有限公司
AAC Technologies Holdings Inc.

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 02018)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE, 2015**

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of AAC Technologies Holdings Inc. ("**AAC Technologies**" or the "**Company**") is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30th June, 2015 together with the unaudited comparative figures for the corresponding period in 2014. These condensed consolidated financial statements have not been audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, and the Company's audit committee (the "**Audit Committee**") and approved by the Board on 24th August, 2015.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June, 2015

	NOTES	**1.1.2015 to 30.6.2015 (Unaudited)** *RMB'000*	1.1.2014 to 30.6.2014 (Unaudited) *RMB'000*
Revenue	*3*	**4,706,784**	3,716,020
Cost of goods sold		**(2,753,461)**	(2,185,942)
Gross profit		**1,953,323**	1,530,078
Other income		**51,940**	68,604
Net fair value gain on foreign currency forward contracts		**-**	345
Distribution and selling expenses		**(101,184)**	(79,388)
Administrative expenses		**(179,419)**	(137,971)
Research and development costs		**(374,214)**	(281,218)
Share of results of associates		**(1,838)**	40
Exchange gain (loss)		**26,387**	(1,034)
Gain on disposal of a subsidiary	*15*	**4,411**	-
Finance costs		**(8,199)**	(6,786)
Profit before taxation	*4*	**1,371,207**	1,092,670
Taxation	*5*	**(127,850)**	(114,853)
Profit for the period		**1,243,357**	977,817
Other comprehensive (expense) income:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising from translation		**(13,204)**	13,296
Total comprehensive income for the period		**1,230,153**	991,113
Profit (loss) for the period attributable to:			
Owners of the Company		**1,245,605**	979,753
Non-controlling interests		**(2,248)**	(1,936)
		1,243,357	977,817
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**1,232,703**	993,469
Non-controlling interests		**(2,550)**	(2,356)
		1,230,153	991,113
Earnings per share - Basic	*7*	**RMB101.43 cents**	RMB79.78 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2015

	NOTES	**30.6.2015 (Unaudited)** ***RMB'000***	31.12.2014 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment	*8*	**6,089,610**	5,285,248
Goodwill		**110,345**	32,931
Prepaid lease payments		**178,379**	180,801
Deposits for acquisition of property, plant and equipment		**402,807**	485,521
Available-for-sale investments	*9*	**364,531**	364,531
Interests in associates		**9,000**	15,688
Intangible assets		**172,507**	139,660
Deposits paid for acquisition of additional interests in a subsidiary		**10,381**	7,717
Loan receivable from a non-controlling shareholder of a subsidiary		**17,198**	17,075
		7,354,758	6,529,172
Current assets			
Inventories		**1,667,564**	1,267,191
Trade and other receivables	*10*	**3,315,215**	3,850,382
Amounts due from related companies		**21,349**	18,216
Taxation recoverable		**4,949**	7,511
Pledged bank deposits		**30**	3,990
Bank balances and cash		**1,548,815**	1,602,687
		6,557,922	6,749,977
Current liabilities			
Trade and other payables	*11*	**2,464,017**	2,388,466
Amounts due to related companies		**48,931**	48,469
Taxation payable		**151,609**	146,050
Short-term bank loans	*12*	**1,438,010**	1,417,806
Other short-term borrowings		**306**	307
		4,102,873	4,001,098
Net current assets		**2,455,049**	2,748,879
Total assets less current liabilities		**9,809,807**	9,278,051
Non-current liabilities			
Government grants		**40,500**	34,894
Deferred tax liabilities		**53,301**	40,356
Loan payable to a non-controlling shareholder of a subsidiary		**11,228**	11,158
		105,029	86,408
Net assets		**9,704,778**	9,191,643
Capital and reserves			
Share capital	*13*	**99,718**	99,718
Reserves		**9,563,498**	9,038,377
Equity attributable to owners of the Company		**9,663,216**	9,138,095
Non-controlling interests		**41,562**	53,548
Total equity		**9,704,778**	9,191,643

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th June, 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) "Interim financial reporting" issued by the International Accounting Standards Board as well as 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").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as describe below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2014.

In the current interim period, the Group has applied, for the first time, certain new or revised International Financial Reporting Standards ("IFRSs") that are mandatorily effective for the current interim period.

The application of the new or revised IFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

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 segments and assess their 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 purposes of resource allocation and assessment of performances focuses specifically on the type of products sold. This is also the basis upon which the Group is organised and managed. The Group's operating and reportable segments under IFRS 8 are dynamic components (including speaker boxes, receivers and speakers), Micro Electro-Mechanical System ("MEMS") components, haptics & radio frequency mechanical module ("Haptics & RF Mechanical Module") and other products (including optics, traditional microphones and headsets, etc.), which represent the major types of products manufactured and sold by the Group.

3. SEGMENT INFORMATION - CONTINUED

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

	1.1.2015 to 30.6.2015 *RMB'000* **(Unaudited)**	1.1.2014 to 30.6.2014 *RMB'000* (Unaudited)
Operating and reportable segments		
Segment revenue		
Dynamic components	**2,737,967**	2,970,514
Haptics & RF Mechanical Module	**1,480,689**	108,213
MEMS components	**419,459**	379,084
Other products	**68,669**	258,209
Revenue	**4,706,784**	3,716,020
Segment results		
Dynamic components	**1,095,005**	1,349,893
Haptics & RF Mechanical Module	**769,913**	28,673
MEMS components	**84,065**	91,119
Other products	**4,340**	60,393
Total profit for operating and reportable segments - gross profit	**1,953,323**	1,530,078
Unallocated amounts:		
Interest income	**7,662**	17,328
Other income	**44,278**	51,276
Net fair value gain on foreign currency forward contracts	**-**	345
Distribution and selling expenses	**(101,184)**	(79,388)
Administrative expenses	**(179,419)**	(137,971)
Research and development costs	**(374,214)**	(281,218)
Share of results of associates	**(1,838)**	40
Exchange gain (loss)	**26,387**	(1,034)
Gain on disposal of a subsidiary	**4,411**	-
Finance costs	**(8,199)**	(6,786)
Profit before taxation	**1,371,207**	1,092,670

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as such information is not regularly provided to the CEO for review.

Segment profit represents the profit earned by each segment without allocation of finance costs, interest income, administrative expenses, research and development costs, distribution and selling expenses, other income, share of results of associates, exchange gain (loss), net fair value gain on foreign currency forward contracts and gain on disposal of a subsidiary.

4. PROFIT BEFORE TAXATION

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of intangible assets	**6,626**	7,770
(Reversal) allowance for obsolete inventories, included in cost of goods sold	**(670)**	51
Depreciation	**322,686**	237,898
Impairment loss recognised in respect of property, plant and equipment	**-**	472
Gain on disposal of property, plant and equipment, net	**(2,477)**	(6,400)

5. TAXATION

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
People's Republic of China (the "PRC") Enterprise Income Tax	**91,748**	93,211
Overseas taxation	**36,102**	21,642
	127,850	114,853

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements for the six months period ended 30th June, 2015 and 30th June, 2014 as the Group has no assessable profits for both periods.

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

5. TAXATION - CONTINUED

According to a joint circular of Ministry of Finance and the State Administrative of Taxation of the PRC, Cai Shui [2008] No. 1, only the profits earned by foreign-investment enterprise prior to 1st January, 2008, when distributed to foreign investors, can be grandfathered and exempted from EIT. Whereas, dividend distributed out of the profits generated thereafter, shall be subject to EIT at 10% and withheld by the PRC subsidiary, pursuant to Articles 3 and 27 of the EIT Law and Article 91 of its Detailed Implementation Rules. According to the Tax Arrangement for Avoidance of Double Taxation between China and Hong Kong, the withholding tax rate on dividend paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise, and remains at 10% otherwise.

In addition, certain PRC subsidiaries were officially endorsed as High-New Technology Enterprises ("HNTE") till the dates ranging from 5th August, 2015 to 21st October, 2017. Pursuant to the EIT Law, those PRC subsidiaries entitled as HNTE shall be entitled to a preferential tax rate of 15% till the expiry of the HNTE status for the respective PRC subsidiaries.

Pursuant to relevant laws and regulations in Singapore, one of the Group's subsidiaries is entitled to a concessionary tax rate under Development and Expansion Incentive which is granted based on the fulfillment of carrying out qualifying business activities. This incentive program will expire for the subsidiary in 2018.

6. DIVIDENDS

During the current interim period, a final dividend of HK$0.71 per share in respect of the year ended 31st December, 2014 (the six months ended 30th June, 2014: final dividend of HK$0.83 per share in respect of the year ended 31st December, 2013) was paid to shareholders of the Company. The higher final dividend for the year ended 31st December, 2013 was attributed to non-recurring contributions from the gain on deemed disposal of partial interest in an associate and gain on deemed disposal of an associate. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK$871,880,000 (equivalent to approximately RMB687,565,000) (the six months ended 30th June, 2014: HK$1,019,240,000 (equivalent to approximately RMB809,073,000)).

Subsequent to the end of the interim period, the Directors have determined that an interim dividend of HK$0.25 per share (2014 interim dividend: HK$0.25 per share) will be paid to the shareholders of the Company.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30th June, 2015 is based on the profit for the period attributable to owners of the Company of RMB1,245,605,000 (the six months ended 30th June, 2014: RMB979,753,000) and on the 1,228,000,000 (the six months ended 30th June, 2014: 1,228,000,000) number of shares in issue during the period.

No diluted earnings per share are presented as the Group does not have any potential ordinary shares outstanding.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of RMB1,138,036,000 (the six months ended 30th June, 2014: RMB681,999,000). Part of the consideration of RMB485,521,000 (the six months ended 30th June, 2014: RMB199,260,000) was paid up in advance in 2014.

Also, during the period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB8,808,000 (the six months ended 30th June, 2014: RMB40,768,000) for proceeds of RMB11,285,000 (the six months ended 30th June, 2014: RMB47,168,000) and resulting in a gain on disposal of RMB2,477,000 (the six months ended 30th June, 2014: gain on disposal of RMB6,400,000).

9. AVAILABLE-FOR-SALE INVESTMENTS

	30.6.2015 ***RMB'000*** **(Unaudited)**	31.12.2014 *RMB'000* (Audited)
Unlisted shares, at cost (note)	**364,531**	364,531

Note:

The investments are 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.

10. TRADE AND OTHER RECEIVABLES

Payment terms with customers are mainly on credit. Invoices are normally payable within 30 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 cash payment. As at 30th June, 2015, the Group has accepted such bills amounting to RMB31,838,000 (as at 31st December, 2014: RMB78,438,000). The following is an aged analysis of trade and bills receivables, presented based on the invoice date which approximated the revenue recognition date. The analysis below is net of allowance for doubtful debts.

	30.6.2015 ***RMB'000*** **(Unaudited)**	31.12.2014 *RMB'000* (Audited)
Age		
0 - 90 days	**2,290,833**	3,015,864
91 - 180 days	**560,611**	282,070
Over 180 days	**20,413**	30,611
	2,871,857	3,328,545

11. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables, presented based on the invoice date:

	30.6.2015 ***RMB'000*** **(Unaudited)**	31.12.2014 *RMB'000* (Audited)
Age		
0 - 90 days	**1,592,001**	1,577,470
91 - 180 days	**222,642**	208,285
Over 180 days	**607**	535
	1,815,250	1,786,290

12. SHORT-TERM BANK LOANS

These loans carry interest ranging from 0.78% to 1.44% per annum (as at 31st December, 2014: carry interest ranging from 0.75% to 2.74% per annum). The Company issued guarantees to banks to secure the borrowings.

13. SHARE CAPITAL

	Number of shares	Amount
		US$'000
Shares of US$0.01 each		
Authorised:		
Ordinary shares at 1st January, 2014, 1st January, 2015 and 30th June, 2015	5,000,000,000	50,000
Issued and fully paid:		
Ordinary shares at 1st January, 2014, 1st January, 2015 and 30th June, 2015	1,228,000,000	12,280

	RMB'000
Presented in the condensed consolidated statement of financial position	
As at 1st January, 2014, 1st January, 2015 and at 30th June, 2015	99,718

14. ACQUISITION OF A SUBSIDIARY

On 7th May, 2015, the Group acquired 100% interest in a private company, WiSpry, Inc. ("WiSpry") from certain independent third parties for an aggregate consideration of USD16,816,000 (approximately to RMB102,808,000). The acquisition has been accounted for using the acquisition method.

Consideration transferred

	WiSpry
	RMB'000
Cash	73,364
Contingent consideration	29,444
Total	102,808

Pursuant to the sales and purchase agreement, the Group is required to make contingent consideration payment to the shareholders upon meeting specific technical milestone and specific revenue target. The Directors are of the opinion, that WiSpry will be able to meet all the conditions for payment of the contingent consideration. The contingent consideration is payable by stages on or before October 2017.

Acquisition-related costs during the period amounting to approximately RMB2,690,000 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 line item in the condensed consolidated statement of profit or loss and other comprehensive income.

14. ACQUISITION OF A SUBSIDIARY - CONTINUED

The assets acquired and liabilities assumed which were recognised on 7th May, 2015, the date of acquisition, are as follows:

	RMB'000
Plant and equipment	2,198
Intangible asset	38,211
Other assets	192
Trade and other receivables	587
Prepaid and other current assets	1,704
Bank balances and cash	3,709
Trade and other payables	(3,913)
Accruals	(3,538)
Deferred tax liability	(13,756)
Net assets assumed	25,394
Goodwill arising on acquisition:	
Consideration	102,808
Less: Net assets recognised	(25,394)
Goodwill arising on acquisition	77,414

The fair value of trade and other receivables at date of acquisition amounted to RMB587,000 and the gross contractual amount was RMB587,000. All contractual receivables at acquisition date are expected to be recoverable.

Goodwill 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 incurred by the joint contributions of technology from WiSpry and business management skills from the Group. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

The fair value of the intangible asset is estimated by an independent and professionally qualified valuer and calculated using multi period excess earnings method under income approach.

	RMB'000
Net cash outflow on acquisition:	
Consideration paid	(73,364)
Cash and cash equivalents acquired	3,709
	(69,655)

14. ACQUISITION OF A SUBSIDIARY - CONTINUED

Impact of acquisition on the results of the Group

WiSpry, as intended to be a technology contributor, contributed no revenue and a loss of RMB7,380,000 to the Group since the acquisition. Had WiSpry been consolidated from 1st January, 2015, the impact of the Group's revenue and the profit attributable to the equity holders of the Company for the period ended 30th June, 2015 would have been insignificant.

15. DISPOSAL OF A SUBSIDIARY

As at 1st May, 2015, the Group entered into share transfer agreements with a related party and a third party for the disposal of 67% equity interests in a subsidiary, at a cash consideration of RMB6,700,000.

Analysis of assets and liabilities disposed of:

	RMB'000
Plant and equipment	2,040
Bank balances and cash	893
Trade and other receivables	349
Inventories	381
Trade and other payables	(247)
	3,416
Gain on disposal of a subsidiary:	
Consideration	6,700
Non-controlling interests (33% of the subsidiary)	1,127
Net assets disposed of	(3,416)
Gain on disposal	4,411
Cash inflow arising on disposal:	
Cash consideration received (note)	3,350
Less: Bank balances and cash disposed of	(893)
	2,457

Note: The final cash consideration of RMB3,350,000 will be settled once the industrial and commercial registration of change is issued by State Administration for Industry and Commerce of the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

AAC Technologies is a total solution-provider utilising the latest miniaturized technology components across acoustic, haptic, radio frequency wireless and optical segments. The Company is already an established leading global supplier of miniaturized acoustic components including a broad range of speakers, receivers and MEMS microphones. The Company delivers integrated solutions across multiple segments incorporating advanced proprietary technology haptics vibrators, RF antennas and optical components. The Company serves a large number of geographically diverse customers in the mobile electronics market and the Company's products are found in devices such as smartphones, tablets, wearables and PC notebooks. The Company is global in scope with research and development centers in the PRC, Singapore, Japan and Denmark, testing laboratories in Singapore and Korea, manufacturing facilities in the PRC, Vietnam and the Philippines, and sales offices throughout the world.

As a technology company, the Company recognizes the importance of continuous and focused research and development. We will continue to develop and strengthen our research and development capabilities and our intellectual property portfolio. Our management team is committed to identifying and evaluating appropriate opportunities to invest or to form alliances with other global technology companies that will create synergy with the Company's existing technology capabilities.

MARKET REVIEW

Smartphone sales volumes continue to reach record levels in the first half of 2015 due to sustained growth in developed markets and significant growth in emerging markets. Although premium flagship devices sold briskly in the developed markets, it was the abundance of affordable handsets in emerging markets supported by local vendors that contributed to growth. Local OEMs in India have matured to become global brands with reach into Middle Eastern and African markets and are expected to deliver greater than 20% compound annual growth. Despite the overall year-on-year growth rate of smartphone volume showing a gradual slowdown, there are continuous innovation and upgrades in specification requirements to offer exciting opportunities for business growth.

OEMs are putting more focus on competitive smartphones which are lower in price but rich in features to attack both emerging and developed markets. There are more than 200 different brands around the world now, mostly coming from China, with many of them focused on entry level and mid-range innovative models. Chinese handset makers continue to disrupt global markets with high-specs but competitively-priced products. As a leading total solutions provider, AAC Technologies has built a solid foundation across different business lines, a global sales network, and a complete technology product portfolio to cater for different tiers of devices. It is uniquely positioned to capture these rising market opportunities.

FINANCIAL REVIEW

The Company had achieved solid financial results in the first half and generated RMB1,745.9 million in net cash flow from operations. For the six months ended 30 June, 2015, the Group's total revenue reached RMB4,706.8 million, representing an increase of RMB990.8 million, or 26.7%, compared with the first half year of 2014. Gross profit of RMB1,953.3 million was RMB423.2 million, or 27.7%, higher than the first half year of 2014. Gross profit margin was 41.5%, 0.3 percentage points higher than the corresponding period of last year. Profit attributable to owners of the Company amounted to RMB1,245.6 million, representing a rise of 27.1% from RMB979.8 million reported in the corresponding period of 2014. Basic earnings per share amounted to RMB1.01, up 27.1% from RMB0.80 for 2014 accordingly.

The turnover days of trade receivables was 119 days, 2.6% more compared with 2014. Aging of trade receivables which is net of allowance for doubtful debts based on invoice dates between 0-90 days, 91-180 days and over 180 days were RMB2,290.9 million (2014: RMB3,015.8 million), RMB560.6 million (2014: RMB282.1 million) and RMB20.4 million (2014: RMB30.6 million) respectively. The quality of receivables remained sound, and total subsequent settlement received up till 31 July, 2015 amounted to RMB876.5 million representing 30.5% of the total amounts outstanding, net of allowances, as at the end of the reporting period.

As for tax, the Group's major operating subsidiaries fall under different tax regimes in Hong Kong, the PRC, Singapore and Vietnam where different laws and regulations, and specific concessionary incentives apply.

GEARING RATIO AND INDEBTEDNESS

The gearing ratio of the Group, computed by dividing total loans and borrowings by total assets, was 10.4% as at 30 June, 2015 (31 December, 2014: 10.8%).

As at 30 June, 2015, the Group had RMB1,438.0 million of bank loans, all short term (31 December, 2014: RMB1,417.8 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's financial position remained strong and it continues to maintain a strong and steady cash inflow from operating activities. As at 30 June, 2015, the Group had RMB1,548.8 million in cash and cash equivalents (31 December, 2014: RMB1,602.7 million), of which 53.5 (31 December, 2014: 50.3) percent was denominated in US dollar, 42.0 (31 December, 2014: 44.0) percent was denominated in Renminbi, 1.4 (31 December, 2014: 1.2) percent was denominated in Hong Kong dollar, 1.2 (31 December, 2014: 1.4) percent was denominated in Japanese Yen, 0.6 (31 December, 2014: 2.3) percent was denominated in Euros and 1.3 (31 December, 2014: 0.8) percent was denominated in other currencies. 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.

CAPITAL EXPENDITURE

The Group incurred capital expenditure of RMB1,055.3 million during the six months ended 30 June, 2015 (six months ended 30 June, 2014: RMB951.8 million), mainly for the acquisition of property, plant and equipment for capacity expansion.

FOREIGN EXCHANGE

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

It is the Group's consistent 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 natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts.

The Group has not entered nor will it enter into any derivative transactions for trading or speculative purposes.

CHARGES ON GROUP ASSETS

Apart from bank deposits amounting to RMB0.03 million that were pledged to banks as at 30 June, 2015 (31 December, 2014: RMB4.0 million), no other Group assets were charged to any financial institutions.

EMPLOYEE INFORMATION

As at 30 June, 2015, the Group employed 39,843 permanent employees, an increase from 32,172 as at 31 December, 2014, brought about by the Company's ongoing business development in the PRC and in other regions in Asia, especially for new projects in all product segments. 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, bonuses, social insurance and mandatory pension fund contribution. 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, Vietnam, Philippines, USA and various countries in Europe.

PROSPECTS

Building technology platforms for miniaturized solutions is always the paramount strategy of the Company. It enables us to extend our reach to different end applications found in all the different mobile devices. The overall percentage growth of smartphone sales is forecasted to be in the range of mid to low teens this year. As in the past, much attention is focused on delivery in the second half of the year which is the normal peak season for major product launches. While the global tablet market keeps downsizing, the debut launch of major wearables drew most market attention in the first half of 2015. Whichever devices gain market traction and dominate, the opportunity to provide technology hardware solutions to enable innovations is compelling. Our strong design and production capabilities, aligned with high automation and efficiency, backed by a consistent high level of investment in R&D, allow us to provide technology solutions that fit diverse needs and different applications.

AAC Technologies is well prepared for growth. We have a clear solutions roadmap and will stay focused on technology development to support mobile device makers improve and create new user experiences. The increasing adoption of upgraded acoustic solutions by Chinese and international customers has contributed to propelling growth. Haptics is the science of providing tactical sensations when users interact with smart devices. There has been rising use of haptics to make user experiences and interactions more realistic and responsive. This technology will be increasingly important to OEM manufacturers as they seek to differentiate their products and user experience.

During the six months ended 30 June, 2015, the Company completed the acquisition of WiSpry, a leader in high-performance tunable RF semiconductor products. WiSpry is a pioneer of RF MEMS solutions with products relating to antenna tuning for mobile devices. Advanced antenna tuning capabilities addressing LTE and carrier aggregation advancement will improve telecom operator efficiency with improved antenna performance in mobile devices. Integrating this antenna tuning technology into our full set of RF and mechanical structure design solutions will enhance our RF wireless capabilities.

The Company nurtures and safeguards intellectual assets proactively. As of 30 June, 2015, we have successfully obtained 112 additional patents, bringing our intellectual property portfolio to a total of 1,559 patents. In the same period, we filed another 147 patents pending, which brings us to a total of 340 patents pending. With our attention to customers, focused investment in R&D, good execution track record and effective cost control, AAC Technologies is well positioned for increased market competitiveness and sustainable profit growth.

DIVIDENDS

From time to time, the Company will consider the declaration of dividends based on its earnings, financial position, debt repayment requirements, capital expenditure plans, medium to long-term business strategies and other factors as the Board may deem appropriate. The Board may also from time to time pay to shareholders such interim dividends to be justified by the profit of the Company and may recommend final dividends for approval by shareholders in annual general meetings.

DIVIDENDS - CONTINUED

For the first half ended 30 June, 2015, a final dividend of HK$0.71 per ordinary share for the year ended 31 December, 2014 (2013 final dividend: HK$0.83 per ordinary share) was paid to shareholders of the Company. The higher final dividend for the year ended 31 December, 2013 was attributed to non-recurring contributions from the gain on deemed disposal of partial interest in an associate and gain on deemed disposal of an associate.

The Board has declared an interim dividend of HK$0.25 (2014: HK$0.25) per ordinary share in respect of the first half year of 2015. The interim dividend amount is the same amount as that of last year as it is a practice to maintain a stable fixed amount for the interim dividend, while adjusting the final dividend to take into account the full year’s earnings. The interim dividend will be paid on or around Tuesday, 29 September, 2015 to shareholders whose names are on the register of members of the Company on Friday, 18 September, 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders’ entitlement to the interim dividend, the register of members of the Company will be closed from Monday, 14 September, 2015 to Friday, 18 September, 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30pm on Friday, 11 September, 2015. Shares of the Company will be traded ex-dividend as from Thursday, 10 September, 2015.

FORWARD-LOOKING STATEMENTS

This announcement may contain certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of Directors of the Company regarding the industry and markets in which it operates. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this results announcement or the forthcoming interim report of the Company; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30th June, 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance that properly protect and promote the interests of the shareholders and other stakeholders of the Company.

Our Board of Directors is at the centre of our corporate governance structure regularly reviewing, refining and overseeing enforcement of the Company's corporate governance practices. A more comprehensive corporate governance overview covering the following key components of the Company's governance framework is available on the Company's website www.aactechnologies.com:

I. Board of Directors and Executive Management
II. Board Committees
III. The Corporate Governance Code
IV. Legal and Regulatory Compliance
V. Internal Audit, Risk Management and Internal Control
VI. Statutory Audit
VII. Code of Conduct and Whistleblowing Policy
VIII. Corporate Disclosure
IX. Company Secretary
X. Shareholders' Rights

For the six months ended 30th June, 2015, the Company met the Code Provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules ("CG Code"). The Company has a culture of adopting governance best practices even though they were not required by the prevailing regulations where the Board deemed adoption would enhance the Company's governance standards. Some examples of this are quarterly financial results reporting and whistle-blowing policy.

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms not less exacting than the required standards set out in the Model Code.

On specific enquiries made, all the 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 the Directors' securities transactions during the six months ended 30th June, 2015.

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

Hong Kong, 24th August, 2015

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.