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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: 2018)

YEAR-ENDED 31 DECEMBER AND 4TH-QUARTER 2021 PROFIT WARNING

This announcement is made by AAC Technologies Holdings Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available, the Company’s board of directors (the “**Board**”) wishes to inform its shareholders (the “**Shareholders**”) and potential investors that the Group’s revenue for the year ended 31 December 2021 (“**FY 2021**”) is expected to increase slightly, but the unaudited consolidated profit attributable to owners of the Company for FY 2021 is expected to decline by approximately 12% to 16% as compared with that for the year ended 31 December 2020 (“**FY 2020**”). The expected year-on-year decrease is primarily attributable to the lack of a similar exceptional exchange gain reported in FY 2020 and a reduction in government subsidies in FY 2021.

Whilst, in the three months ended 31 December 2021 (“**Q4 2021**”), the overhang of certain unfavorable operating factors, such as the prolonged supply chain disruption due to the pandemic, the increase in operation costs in China and weaker demand on the back of chip shortage, mentioned in the Company’s announcement dated 7 October 2021, continued to impact the Company’s performance to some extent. The unaudited consolidated profit attributable to owners of the Company for Q4 2021 is expected to decline by approximately 71% to 79% as compared with that for the corresponding period in 2020 (“**Q4 2020**”). In addition to the aforesaid two adverse factors, being the lack of a similar exceptional exchange gain and a reduction in government subsidiaries, the expected year-on-year decline in profit for Q4 2021 was primarily attributable to a lower overall gross profit margin of the Group, which was adversely affected by fierce competition in domestic and overseas markets. Particularly for its optics business, in rolling out its business expansion strategy to attain the optimal market

position, the Group observed weaker profit margin in Q4 2021, due to lower average selling price and lower production efficiency.

Although the aforesaid external factors may continue to make the same impact on the Group's performance, including its optics business, in the first half of 2022, the Company has already taken rigorous review of the Group's market strategy on expanding its market share to strengthen the competitive positioning across various product segments and to take actions to improve operational efficiency, as well as, to implement more proactive operational costs and expense control measures. Considering the Group's efforts made and results achieved in technologies innovation, and, with the expansion plan into other verticals, including the automotive industry, the Company remains positive in the growth prospects of all of our business segments and cautiously optimistic in the medium to long term outlook.

The Company is in the process of finalising the consolidated financial results of the Group for FY 2021. The information contained in this announcement is only a preliminary assessment made by the Company's management based on the current information available to the Company and has not been reviewed by the audit and risk committee nor reviewed or audited by the independent auditors of the Company. The audited consolidated results of the Group for FY 2021, which are expected to be announced by the end of March 2022, may be different from what are disclosed herein.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
AAC Technologies Holdings Inc.
Mok Joe Kuen Richard
Executive Director

Hong Kong, 19 January 2022

As at the date of this announcement, the Board comprises Mr. Pan Benjamin Zhengmin, Mr. Mok Joe Kuen Richard and Ms. Wu Ingrid Chun Yuan, together with four Independent Non-executive Directors, namely Mr. Zhang Hongjiang, Mr. Au Siu Cheung Albert, Mr. Peng Zhiyuan and Mr. Kwok Lam Kwong Larry.