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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)

DISCLOSEABLE TRANSACTION REPURCHASE OF OPTICS SHARES

On 14 and 15 September 2023, AAC TIC (an indirect wholly-owned subsidiary of the Company), AAC Optics and each of the 22 Selling Investors entered into separate Share Transfer Agreements, pursuant to which AAC TIC agreed to purchase, and each of the 22 Selling Investors agreed to sell to AAC TIC, their entire equity interest in AAC Optics. The 22 Selling Investors in aggregate held approximately 7.1670% of the equity interest in AAC Optics, and the aggregate Consideration under the Share Transfer Agreements was approximately RMB1,449 million.

Completion under each of the Share Transfer Agreements will take place immediately upon AAC TIC having paid the Consideration in full to each of the 22 Selling Investors pursuant to the Share Transfer Agreements. After Completion of the Share Transfer Agreements, the 22 Selling Investors will cease to hold any Optics Shares, and AAC Optics will be held (i) as to approximately 88.2620% indirectly by the Company; (ii) 2% by the share incentive platforms of AAC Optics; and (iii) approximately 9.7380% by the 5 Remaining Investors in aggregate.

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transactions in aggregate are above 5% and all applicable percentage ratios are less than 25%, the Transactions constituted a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Previous Acquisition and the Transactions are related as they involve the acquisition of Optics Shares, they are aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transactions and the Previous Acquisition in aggregate are above 5% and all applicable percentage ratios are less than 25%, the Transactions and the Previous Acquisition in aggregate constituted a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

I. BACKGROUND

References are made to the announcements of the Company dated 22 July 2020, 9 October 2020, 31 October 2021 and 10 May 2022 in relation to, amongst other things, the introduction of strategic investors to AAC Optics, the entering into of the Supplemental Agreement among the then shareholders of AAC Optics pursuant to which redemption rights were granted, and the introduction of new strategic investors and share transfer of AAC Optics (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcements.

The Company is pleased to announce that on 14 and 15 September 2023, AAC TIC (an indirect wholly-owned subsidiary of the Company) and AAC Optics entered into separate Share Transfer Agreements with each of the 22 Selling Investors, pursuant to which the equity interest in AAC Optics held by each of the 22 Selling Investors will be transferred to AAC TIC.

The terms and conditions of each of the Share Transfer Agreements are substantially the same except for the name of the Selling Investors, the number of the Target Optics Shares and the amount payable by AAC TIC for the Target Optics Shares held by the respective Selling Investor. The transactions contemplated under each of the Share Transfer Agreements are not inter-conditional upon each other.

The principal terms of the Share Transfer Agreements are summarized below:

II. THE SHARE TRANSFER AGREEMENTS

Date

14 and 15 September 2023

Parties

- (i) Each of the 22 Selling Investors, as sellers (as detailed below);
- (ii) AAC TIC, as purchaser; and
- (iii) AAC Optics.

Major terms of the Share Transfer Agreements

Selling Investors	Before completion of the Share Transfer Agreements		Consideration (RMB)
	Number of Optics Shares held	Approximate percentage of Optics Shares held	
1. Sequoia Chi Chen (Xiamen) Equity Investment Partnership (Limited Partnership)* (紅杉馳辰(廈門)股權投資合夥企業(有限合夥))(Note)	37,145,918	0.5488	111,671,232.88
2. Advanced Manufacturing Industry Investment Fund (Limited Partnership)* (先進製造產業投資基金(有限合夥))	104,008,570	1.5366	312,710,136.99
3. CICC Win-Win Qijiang (Shanghai) Science & Innovation Equity Investment Fund Partnership (Limited Partnership)* (中金共贏啟江(上海)科創股權投資基金合夥企業(有限合夥))	37,145,918	0.5488	111,682,191.78
4. Qilu (Xiamen) Equity Investment Partnership (Limited Partnership)* (啟鷺(廈門)股權投資合夥企業(有限合夥))	14,858,367	0.2195	44,672,876.71
5. CICC Jiatai Phase II (Tianjin) Equity Investment Fund Partnership (Limited Partnership)* (中金佳泰貳期(天津)股權投資基金合夥企業(有限合夥))	11,143,775	0.1646	33,504,657.53

Selling Investors	Before completion of the Share Transfer Agreements		Consideration (RMB)
	Number of Optics Shares held	Approximate percentage of Optics Shares held	
6. CICC Qizhi (Shanghai) Equity Investment Center (Limited Partnership)* (中金祺智(上海)股權投資中心(有限合夥))	11,143,775	0.1646	33,504,657.53
7. CICC Qichen (Suzhou) Emerging Industry Equity Investment Fund Partnership (Limited Partnership)* (中金啟辰(蘇州)新興產業股權投資基金合夥企業(有限合夥))	11,143,775	0.1646	33,504,657.53
8. CICC Cultural Consumption Industry Equity Investment Fund (Xiamen) Partnership (Limited Partnership)* (中金文化消費產業股權投資基金(廈門)合夥企業(有限合夥))	11,143,775	0.1646	33,504,657.53
9. CICC Pucheng Investment Co., Ltd.* (中金浦成投資有限公司)	7,429,184	0.1098	22,336,438.36
10. Guangdong Midea Intelligent Technology Industry Investment Fund Management Center (Limited Partnership)* (廣東美的智能科技產業投資基金管理中心(有限合夥))	37,145,918	0.5488	111,693,150.68

Selling Investors	Before completion of the Share Transfer Agreements		Consideration (RMB)
	Number of Optics Shares held	Approximate percentage of Optics Shares held	
11. Haining Qianhang Investment Partnership (Limited Partnership)* (海寧乾航投資合夥企業(有限合夥)), formerly named as Haining Hairui Industrial Investment Partnership (Limited Partnership)* (海寧海睿產業投資合夥企業(有限合夥))	11,143,776	0.1646	33,501,369.86
12. Gongqingcheng Danhe Yucheng Investment Partnership (Limited Partnership)* (共青城丹合玉成投資合夥企業(有限合夥))	26,002,143	0.3842	78,185,205.48
13. Shanghai Runxin Investment Management Co., Ltd.* (上海潤芯投資管理有限公司)	22,287,551	0.3293	67,009,315.07
14. Shenzhen Songhe Venture Capital Investment Co., Ltd.* (深圳市松禾創業投資有限公司)	18,572,959	0.2744	55,841,095.89
15. Wentianxia Technological Group Co., Limited* (聞天下科技集團有限公司), formerly named as Lhasa Economic and Technological Development Zone Wentianxia Investment Co., Ltd.* (拉薩經濟技術開發區聞天下投資有限公司)	18,572,959	0.2744	55,841,095.89

Selling Investors	Before completion of the Share Transfer Agreements		Consideration (RMB)
	Number of Optics Shares held	Approximate percentage of Optics Shares held	
16. Shengzhen Jiaxin Yuande Equity Investment Fund Partnership (Limited Partnership)* (深圳市嘉信元德股權投資基金合夥企業(有限合夥))	13,001,071	0.1921	39,073,424.66
17. Dongguan Changjinshi Equity Investment Partnership (Limited Partnership)* (東莞長勁石股權投資合夥企業(有限合夥))	5,571,888	0.0823	16,755,616.44
18. Changzhou Mingde Venture Capital Investment Partnership (Limited Partnership)* (常州銘德創業投資合夥企業(有限合夥))	26,002,142	0.3841	78,169,863.01
19. Mr. Chen Tao	5,943,347	0.0878	17,862,137.31
20. Changzhou Xinbei District Phase I Science and Technology Innovation Investment Center (Limited Partnership)* (常州新北區一期科創投資中心(有限合夥))	37,145,918	0.5488	105,304,109.59
21. Changzhou Changgaoxin Intelligent Manufacturing Investment Center (Limited Partnership)* (常州常高新智能製造投資中心(有限合夥))	7,429,184	0.1098	21,060,821.92

Selling Investors	Before completion of the Share Transfer Agreements		Consideration (RMB)
	Number of Optics Shares held	Approximate percentage of Optics Shares held	
22. Guangxi Nanning GIG Greencity Industrial Investment Partnership (Limited Partnership)* (廣西南寧廣投綠城產業投資合夥企業(有限合夥))	11,143,775	0.1646	31,601,095.89
Total	485,125,688	7.1670	1,448,989,808.55

Note: On 10 May 2022, Sequoia Chi Chen (Xiamen) Equity Investment Partnership (Limited Partnership) (紅杉馳辰(廈門)股權投資合夥企業(有限合夥)) entered into a share transfer agreement with AAC Technologies Limited, pursuant to which it agreed to sell, and AAC Technologies Limited agreed to purchase approximately 0.7133% of the total number of Optics Shares. Please refer to the announcement of the Company dated 10 May 2022 for further details. The Previous Acquisition was subsequently completed in May 2022.*

For further information of the parties, please refer to Part V “General Information of the Parties” of this announcement.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the 22 Selling Investors and their ultimate beneficial owners (where applicable) are third parties independent of the Company and its connected persons.

Terms of the transactions

The Group shall purchase from each of the 22 Selling Investors, and each of the 22 Selling Investors shall sell to AAC TIC, such number of the Target Optics Shares of AAC Optics as stipulated in the relevant Share Transfer Agreements, together with all rights and interest attached thereto and free from encumbrances, at the Consideration as stipulated in the relevant Share Transfer Agreements, payable through bank transfer to the bank accounts as specified by each of the 22 Selling Investors.

The Target Optics Shares represented an aggregate of approximately 7.1670% of the Optics Shares as at the date of this announcement.

Consideration and basis

The aggregate Consideration of approximately RMB1,449 million under the Share Transfer Agreements was determined after arm's length negotiations between AAC TIC and each of the 22 Selling Investors with reference to the redemption price as stipulated in the Supplemental Agreement dated 31 October 2021, and is calculated based on the sum of the consideration paid by the relevant investors or their successors to subscribe for such shares $\times (1+4\% \times N/365)$ ("N" means the days from the date of settlement of the consideration up to the date of the Share Transfer Agreements. For the avoidance of doubt, none of the events entitling the Selling Investors to exercise the investor options as stipulated in the Supplemental Agreement has occurred as at the date of this announcement, and AAC TIC and AAC Optics reached out to each of the 22 Selling Investors on their own initiatives to enter into separate Share Transfer Agreements, considering the reasons as set out in Part III "Reasons for and Benefits of the Share Transfer Agreements" of this announcement.

Completion

Completion under each of the Share Transfer Agreements will take place immediately upon AAC TIC having paid the Consideration in full to each of the 22 Selling Investors pursuant to the Share Transfer Agreements. After Completion of the Share Transfer Agreements, the 22 Selling Investors will cease to hold any Optics Shares and AAC Optics will be held (i) as to approximately 88.2620% indirectly by the Company; (ii) 2% by the share incentive platforms of AAC Optics; and (iii) approximately 9.7380% by the 5 Remaining Investors in aggregate. The Consideration is expected to be paid with the Group's internal resources.

Save for the payment of the Consideration, there are no other conditions precedent under the Share Transfer Agreements.

III. REASONS FOR AND BENEFITS OF THE SHARE TRANSFER AGREEMENTS

Reference is made to the announcement of the Company dated 16 December 2022. Taking into account the external macroeconomic environment and industry market development, and in order to simplify the controlling shareholding structure of AAC Optics, after discussion and negotiation with the 22 Selling Investors, AAC TIC agreed to purchase the Target Optics Shares from each of the 22 Selling Investors with reference to the redemption price as stipulated in the Supplemental Agreement.

Given the matters mentioned above, including the fact that the aggregate Consideration was determined after arm's length negotiations between AAC TIC and each of the 22 Selling Investors with reference to the redemption price as stipulated in the Supplemental Agreement dated 31 October 2021, the Directors are therefore of the view that the terms of the Share Transfer Agreements, including the Consideration, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

IV. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transactions in aggregate are above 5% and all applicable percentage ratios are less than 25%, the Transactions on a stand-alone basis constituted a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Previous Acquisition and the Transactions are related as they involve the acquisition of Optics Shares, they are aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Transactions and the Previous Acquisition in aggregate are above 5% and all applicable percentage ratios are less than 25%, the Transactions and the Previous Acquisition in aggregate constituted a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

V. GENERAL INFORMATION OF THE PARTIES

The Group

The Group is a leading smart devices solutions provider as well as a pioneer in the design and development of a wide range of components and embedded solutions for application in consumer electronics, mobility and automobile markets. The Group combines excellence in hardware design and manufacturing with software development and integration capabilities to provide end-to-end support to customers in their innovation solution.

AAC Optics

AAC Optics is a joint stock limited company established in the PRC. As at the date of this announcement, AAC Optics is the Company's subsidiary, and approximately 81.0949% of its shares are owned by the Company (through AAC Optics Controlling Shareholders) before Completion.

AAC Optics is principally engaged in the research and development, production and sale of optics products. Based on AAC Optics' consolidated financial statements prepared according to PRC Accounting Standards for Business Enterprises, AAC Optics' unaudited total assets as at 31 December 2022 were RMB10,084,975,000, and its net assets were RMB6,214,782,000. Details of AAC Optics' net loss before and after tax for the two financial years ended 31 December 2021 and 31 December 2022 based on its consolidated financial statements prepared according to PRC Accounting Standards for Business Enterprises are as follows:

	For the year ended 31 December 2021 (unaudited)	<i>RMB'000</i> For the year ended 31 December 2022 (unaudited)
Net loss before tax	267,481	1,060,083
Net loss after tax	274,730	1,056,366

AAC TIC

AAC TIC was established in the PRC as a limited liability company, and is the holding company of subsidiaries of the Company engaged in domestic and overseas optical business. AAC TIC is a direct wholly-owned subsidiary of AAC Technologies Limited and an indirect wholly-owned subsidiary of the Company.

Selling Investors

For information relating to the 22 Selling Investors, please refer to the Announcements dated 9 October 2020, 31 October 2021 and 10 May 2022.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AAC Optics”	AAC Optics (Changzhou) Co., Ltd.* (辰瑞光學(常州)股份有限公司), formerly named as 誠瑞光學(常州)股份有限公司, a subsidiary of the Company as at the date of this announcement
“AAC TIC”	AAC Technology Information Consultancy (Changzhou) Co., Ltd.* (瑞聲科技信息諮詢(常州)有限公司), an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Company”	AAC Technologies Holdings Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Transactions under the Share Transfer Agreements
“Consideration”	the consideration payable by AAC TIC under the Transactions
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Optics Share(s)”	issued share(s) of AAC Optics

“Remaining Investors”	the 5 strategic investors, namely, Hubei Xiaomi Changjiang Industrial Fund Partnership (Limited Partnership)* (湖北小米長江產業基金合夥企業(有限合夥)), OPPO Guangdong Mobile Communication Co., Ltd.* (OPPO廣東移動通信有限公司), Shenzhen Huiyou Haochuang Technology Investment Partnership (Limited Partnership)* (深圳市惠友豪創科技投資合夥企業(有限合夥)), Nanjing Huarui Ruijun Entrepreneurship Investment Center (Limited Partnership)* (南京華睿睿軍創業投資中心(有限合夥)) and Mr. Guo Wen
“PRC”	the People’s Republic of China
“Previous Acquisition”	the transfer by Sequoia Chi Chen (Xiamen) Equity Investment Partnership (Limited Partnership)* (紅杉馳辰(廈門)股權投資合夥企業(有限合夥)) of approximately 0.7133% of the Optics Shares to AAC Technologies Limited pursuant to the share transfer agreement dated 10 May 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Selling Investor(s)”	the 22 strategic investors as set out in Part II “The Share Transfer Agreements – Major Terms of the Share Transfer Agreements” of this announcement
“Share Transfer Agreements”	share transfer agreements entered on 14 and 15 September 2023 among AAC TIC, AAC Optics and each of the 22 Selling Investors in relation to the Transactions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Agreement”	the supplemental agreement dated 31 October 2021 to the termination agreement dated the same date entered into among the shareholders of AAC Optics in relation to certain shareholder rights granted to the existing strategic investors of AAC Optics
“Target Optics Shares”	the Optics Shares to be purchased by AAC TIC and sold by the 22 Selling Investors in the Transactions
“Transaction(s)”	the purchase by AAC TIC and the sale by the 22 Selling Investors of the Target Optics Shares as set out in Part II “The Share Transfer Agreements” of this announcement
“%”	per cent

* *For ease of reference, the names of the companies or entities (including the PRC established companies or entities) have been included in this announcement in both the Chinese and English languages. The name in Chinese language is the official name of each such company or entity, while that in English language is translation of the Chinese name, and is included herein for identification purpose only. In the event of any inconsistency, the Chinese version shall prevail.*

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

Hong Kong, 15 September 2023

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 three Independent Non-executive Directors, namely Mr. Zhang Hongjiang, Mr. Kwok Lam Kwong Larry and Mr. Peng Zhiyuan.