
IMPORTANT

If you are in doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in AAC Acoustic Technologies Holdings Inc., you should at once hand this circular to the purchaser or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2018)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTIONS OF DIRECTORS, AMENDMENTS TO THE ARTICLES OF ASSOCIATION, AND NOTICE OF ANNUAL GENERAL MEETING

Resolutions will be proposed at the Annual General Meeting of AAC Acoustic Technologies Holdings Inc. to be held at Salon IV, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Monday, 29th May 2006 at 3:00 p.m. to approve the matters referred to in this circular. A notice convening the Annual General Meeting is set out on pages 15 to 18 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

28th April 2006

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meaning:

“AGM”	the annual general meeting of the Company to be held at Salon IV, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong, on 29th May 2006 at 3:00 p.m. to consider and, if appropriate, to approve the resolutions as set out in the notice of AGM;
“Articles of Association”	the existing articles of association of the Company;
“Board”	the board of Directors;
“Company”	AAC Acoustic Technologies Holdings Inc.;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issue Mandate”	the proposed issue mandate to be granted to the Directors as further described in the section headed “General Mandate to Issue Shares” of this circular;
“Latest Practicable Date”	24th April 2006, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	the proposed repurchase mandate be granted to the Directors as further described in the section headed “General Mandate to Repurchase Shares” of this circular;
“SFO”	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong);
“Shareholder(s)”	holders of Shares;
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases approved by the Securities and Futures Commission as amended from time to time; and
“%”	per cent.



AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2018)

Executive Director:

Mr. Benjamin Zhengmin Pan
(Chief Executive Officer)

Non-executive Directors:

Ms. Ingrid Chunyuan Wu
Mr. Yang Dong Shao
Dr. Thomas Kalon Ng

Independent non-executive Directors

Mr. Koh Boon Hwee *(Chairman)*
Dr. Dick Mei Chang
Mr. Mok Joe Kuen Richard

*Registered office in
the Cayman Islands:*

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
British West Indies

*Principal place of business
in Hong Kong:*

Unit 1409, Peninsula Square
18 Sung On Street
Hung Hom
Hong Kong

28th April 2006

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTIONS OF DIRECTORS,
AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the ordinary and special resolutions to be proposed at the AGM for the approval of (a) the Issue Mandate; (b) the Repurchase Mandate; (c) the extension of the Issue Mandate; (d) the re-elections of Directors; and (e) the amendment of the Articles of Association to reflect the Code on Corporate Governance Practices of the Listing Rules and amendment on the provision of the removal of directors. This circular contains the explanatory statement in compliance with the Listing Rules and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions approving the Company to repurchase and issue Shares, to extend the Issue Mandate, to re-elect Directors and to amend the Articles of Association.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

By way of a written resolution passed on 15th July 2005, the Shareholders granted a general unconditional mandate to the Directors to issue Shares which mandate will be lapsed at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant the issue mandate to the Directors, i.e. a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with, otherwise than by way of rights issue or any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company or any shares of the Company issued as scrip dividends pursuant to the Articles of Association, Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of such resolution (the “Issue Mandate”). The Issue Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

3. GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to grant the repurchase mandate to the Directors, i.e. a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares subject to the maximum number of shares of up to 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such resolution (the “Repurchase Mandate”). The Repurchase Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

4. EXTEND GENERAL MANDATE TO ISSUE SHARES

Conditional upon the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the resolution for approving the Issue Mandate.

5. RE-ELECTIONS OF DIRECTORS

In accordance with article 86(3) of the Articles of Association, Mr. Benjamin Zhengmin Pan, Ms. Ingrid Chunyuan Wu, Mr. Yang Dong Shao, Dr. Thomas Kalon Ng, Mr. Koh Boon Hwee, Dr. Dick Mei Chang and Mr. Mok Joe Kuen Richard (together defined as the “Retiring Directors”) will hold their office until the AGM and being eligible, offer themselves for re-election at the AGM. Details of the Retiring Directors which are required to be disclosed by the Listing Rules are set out in appendix II to this circular.

LETTER FROM THE BOARD

6. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The latest amendments to the Listing Rules relating to the contents of the constitutional documents came into effect on 1st March 2006. The principal purpose of the Special Resolution as set out in the notice of the AGM is to amend the Articles of Association to, amongst others, comply with the requirements of the amended Listing Rules and the Code on Corporate Governance Practices of the Listing Rules.

In order to incorporate the above amendments into the Articles of Association, the Directors proposed to seek your approval for the Special Resolution as set out in the notice of the AGM to amend the Articles of Association. The proposed amendments, if duly passed, will have the effect of (a) requiring Director(s) appointed to fill a casual vacancy to be subject to election by the Shareholders at the first general meeting after their appointment; and (b) allowing removal of a Director by ordinary resolution of the Shareholders at a general meeting.

7. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 15 to 18 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the granting of the Issue Mandate and Repurchase Mandate and the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate, the re-elections of Directors and the amendments to the Articles of Association.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished.

8. PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to article 66 of the Articles of Association, a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange (as defined in the Articles of Association) or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange (as defined in the Articles of Association), by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

To the best of the knowledge and belief of the Board having made due and careful enquiries, none of the Shareholders is required to abstain from voting at the forthcoming AGM under the Listing Rules.

9. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

10. RECOMMENDATION

The Directors consider that the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-elections of the Retiring Directors and the amendments to the Articles of Association are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM on pages 15 to 18.

By Order of the Board
AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.
Koh Boon Hwee
Chairman

The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all the Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised of 1,248,000,000 Shares. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 124,800,000 Shares (being 10% of the Shares in issue) during the period up to the next annual general meeting in 2007 or the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company or any applicable laws of the Cayman Islands or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchases when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings per Share of the Company.

3. IMPACT ON THE WORKING CAPITAL OR GEARING POSITION

As compared with the financial position of the Company as disclosed in its most recent published audited consolidated accounts as at 31st December 2005, the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed share repurchases were to be carried out in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

4. FUNDING OF REPURCHASE

The Directors recognized that the repurchasing of Shares must be made by funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands and the Listing Rules. The Companies laws (2004 Revision) of the Cayman Islands (the “Laws”) provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if so authorised by the articles of association of the Company and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company’s share premium account or, if so authorised by the articles of association of the Company and subject to the provisions of the Laws, out of capital.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases of its Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of the Cayman Islands.

7. EFFECT OF TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Benjamin Zhengmin Pan ("Mr. Pan"), as a Director, beneficially owns 218,520,634 Shares. Mr. Pan is taken to be interested in 49,645,440 Shares which are beneficially owned by Silver Island Limited, a company 100% owned by Mr. Pan, 75,220,434 Shares as trustee of the Benjamin Zhengmin Pan 2005 Annuity Trust and 8,656,996 Shares which are beneficially owned by his children who are under the age of 18 as beneficiaries of the Pan 2005 Irrevocable Trust under the SFO. Ms. Ingrid Chunyuan Wu, the wife of Mr. Pan and also a Director, beneficially owns 209,828,594 Shares. Ms. Wu is taken to be interested in 75,220,434 Shares as trustee of the Ingrid Chunyuan Wu 2005 Annuity Trust and 8,656,996 Shares which are beneficially owned by her children who are under the age of 18 as beneficiaries of the Pan 2005 Irrevocable Trust under the SFO. For the purpose of the Takeovers Code, Mr. Pan and Ms. Wu are concert parties and are taken to have interests in a total of 637,092,532 Shares representing approximately 51.05% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate which is proposed to be granted by the Shareholders, then (if the present shareholdings otherwise remained the same) the aggregate interests of both Mr. Pan and Ms. Wu would be increased to approximately 56.72% of the issued share capital of the Company. In the opinion of the Directors, such increase will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Company will not purchase Shares if that purchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

Save as disclosed above, the Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

8. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares during the six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the calendar months since the listing of the Shares on the Stock Exchange on 9th August 2005 were as follows:

Months	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
August	3.6750	2.8500
September	4.4500	3.2500
October	4.3250	3.5000
November	4.8250	3.9500
December	4.8500	4.4000
2006		
January	6.3000	4.6000
February	5.8500	5.1500
March	7.5500	5.5000
April (up to the Latest Practicable Date)	9.4000	7.3500

The following sets out the details of the directors who will retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Articles of Association:

BIOGRAPHICAL INFORMATION

Executive Directors

Mr. Benjamin Zhengmin Pan (“Mr. Pan”), aged 37, is an Executive Director and Chief Executive Officer of the Company. Mr. Pan co-founded our Group in 1993. Mr. Pan is responsible for providing strategic direction and leadership and for developing and implementing our Group’s strategic objectives and business plans. Specifically, Mr. Pan is responsible for overseeing the coordination between sales and marketing, research and development, manufacturing, and other functions including quality assurance, finance and human resources. Mr. Pan has been instrumental in spearheading our Group’s expansion outside the People’s Republic of China (“PRC” or “China”). In 1996, he co-founded and was appointed President and Chief Executive Officer of American Audio Component Inc. (“AAC U.S.”). Mr. Pan also co-founded Shenzhen Meiou Electronics Corporation (“Shenzhen Meiou”) in 1998 and American Audio Components (Changzhou) Co., Ltd. (“Changzhou AAC”) in 2000. In addition to his experience in sales and marketing, manufacturing and management, he has also been instrumental in leading our research and development strategy, and developed a number of patents used in the design and manufacturing of our polyphonic speakers, miniature receivers, transducers and Electret Condenser Microphones. Mr. Pan graduated from the 江蘇省武進師範學校 (Jiangsu Province Wujin Teacher School) in 1987. Mr. Pan is the spouse of Ms. Ingrid Chunyuan Wu, a Non-executive Director and a substantial shareholder of the Company.

Save as disclosed above, Mr. Pan does not have any relationships with other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Group. Save as aforesaid, Mr. Pan did not hold other directorship in any public listed companies in the last three years but he has directorship in a number of subsidiaries of the Company.

Mr. Pan has entered into a service agreement with the Company for a term of three years commencing from 15th July 2005, which continues thereafter until terminated by either party giving not less than 60 days’ notice in writing or 60 days’ payment in lieu of notice to the other party. He is entitled to a basic salary of approximately US\$200,000 per year and will be paid monthly in arrears which is determined upon negotiation between Mr. Pan and the Company at arm’s length on the basis of his previous experience, professional qualifications, responsibilities to be involved in the Company and the amount of time devoted to the Company’s business as well as the current financial position of the Company and the prevailing market conditions and which is subject to review periodically as determined by the Company.

Non-executive Directors

Ms. Ingrid Chunyuan Wu (“Ms. Wu”), aged 35, is a Non-executive Director of the Company. Ms. Wu co-founded our Group in 1993. In 1996, she co-founded and later became Chief Financial Officer of AAC U.S.. She also co-founded Shenzhen Meiou in 1998, Changzhou AAC in 2000, and YEC Electronics Limited in 2001. Before Mr. Du Kuang-Yang joined the Group as our Chief Operating Officer in March 2005, Ms. Wu was responsible for the day-to-day operations of these companies. Ms. Wu graduated from 常州衛生學校 (Changzhou School of Public Health) in 1989. Ms. Wu is the spouse of Mr. Pan, the Executive Director and a substantial shareholder of the Company.

Save as disclosed above, Ms. Wu does not have any relationships with other Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the Listing Rules) of the Group. Save as aforesaid, Ms. Wu did not hold other directorship in any public listed companies in the last three years but she has directorship in a number of subsidiaries of the Company.

Ms. Wu has entered into a letter of appointment with the Company for a term of two years commencing from 16th April 2005, which continues thereafter until terminated by either party giving at least one month's notice in writing or such shorter period as both parties may agree. She is entitled to the director's fee of HK\$110,000 per year or such other sum as the Company may from time to time decide, which is determined upon negotiation between Ms. Wu and the Company at arm's length on the basis of her previous experience, professional qualifications, responsibilities to be involved in the Company and the amount of time devoted to the Company's business as well as the current financial position of the Company and the prevailing market conditions.

Mr. Yang Dong Shao ("Mr. Shao"), aged 37, has been appointed to our Board since March 2004. Mr. Shao is currently a managing director of Chengwei Ventures LLC, a venture capital investment firm that focuses on investing in technology-based companies in China. He currently sits on the board of Summit Optical Holdings, Inc., Chengwei AAC Holdings Ltd., Oval Technologies Holdings, Inc. and Winlead Technology Limited. Mr. Shao had previously worked at the Investment Banking Division of Salomon Brothers Inc. Mr. Shao obtained a Bachelor's degree in Economics (Magna Cum Laude) in 1993 from Columbia University, where he was elected Phi Beta Kappa. He also attended the Graduate School of Business at Stanford University and earned a Master's degree in Business Administration in 2000.

Mr. Shao does not have any relationships with other Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the Listing Rules) of the Group. Save as aforesaid, Mr. Shao did not hold other directorship in any public listed companies in the last three years but he is a director of AAC Acoustic Technologies (Suzhou) Co., Ltd., which is a subsidiary of the Company.

Mr. Shao has entered into a letter of appointment with the Company for a term of two years commencing from 16th April 2005, which continues thereafter until terminated by either party giving at least one month's notice in writing or such shorter period as both parties may agree. He is entitled to the director's fee of HK\$95,000 per year or such other sum as the Company may from time to time decide, which is determined upon negotiation between Mr. Shao and the Company at arm's length on the basis of his previous experience, professional qualifications, responsibilities to be involved in the Company and the amount of time devoted to the Company's business as well as the current financial position of the Company and the prevailing market conditions.

Dr. Thomas Kalon Ng ("Dr. Ng"), aged 51, has been appointed to our Board since November 2004. Dr. Ng has many years of management and investment experience in the high-technology industry. He is currently the managing director of Granite Global Ventures. He was the founder of Venture TDF in Singapore. Dr. Ng was a Director of MediaRing Limited from 1998 to August 2005. Dr. Ng has advised the Government of Singapore in its development of "technopreneurship" and served on its advisory board. Dr. Ng has held senior management positions at Genelabs Diagnostics Pte. Ltd.. Dr. Ng earned a Bachelor's degree of Science in Bacteriology in 1975, a Master's degree of Science in Bacteriology in 1977 and a Doctor's degree in Bacteriology and Biochemistry in 1981 from the University of Wisconsin at Madison in the United States of America ("USA").

Dr. Ng does not have any relationships with other Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the Listing Rules) of the Group. Save as aforesaid, Dr. Ng did not hold other directorship in any public listed companies in the last three years and he does not hold any other position in the Group.

Dr. Ng has entered into a letter of appointment with the Company for a term of two years commencing from 16th April 2005, which continues thereafter until terminated by either party giving at least one month's notice in writing or such shorter period as both parties may agree. He is entitled to the director's fee of HK\$95,000 per year or such other sum as the Company may from time to time decide, which is determined upon negotiation between Dr. Ng and the Company at arm's length on the basis of his previous experience, professional qualifications, responsibilities to be involved in the Company and the amount of time devoted to the Company's business as well as the current financial position of the Company and the prevailing market conditions.

Independent non-executive Directors

Mr. Koh Boon Hwee ("Mr. Koh"), aged 55, is the Chairman of the Company. Mr. Koh has been appointed to our Board since November 2004. Mr. Koh brings with him extensive management experience and leadership. He is currently an Executive Director of MediaRing Limited, the Executive Chairman and the Chief Executive Officer of Sunningdale Tech Ltd. and the Chairman of DBS Group Holdings Ltd. and DBS Bank Ltd.. Mr. Koh is also a director of Temasek Holdings (Pte) Ltd.. Mr. Koh also sits on the board of Agilent Technologies, Inc. Mr. Koh is also the Chairman of the Nanyang Technological University Council and a member of the Singapore Business Federation. Mr. Koh has over 20 years of experience in the IT-related and electronics industries. Mr. Koh was previously Chairman of Singapore Airlines Ltd. (2001–2005), SIA Engineering Company Ltd. (2003–2005), Omni Industries Ltd. (1996–2001), Internet Technology Group Ltd. (2000–2001), a director of Innovalues Precision Ltd., (2002–2005), Citiraya Industries Ltd. (April 2005–May 2005), Norelco UMS Holdings Ltd. (2002–2005), Intelsat, Ltd. (2003–2005), Broad Vision, Inc. (1996–2005), the Executive Chairman of Wuthelam Holdings Pte Limited (1991–2000), and before that Managing Director of Hewlett Packard Singapore (1985–1990), where he started his career in 1977. Mr. Koh graduated from the Imperial College, University of London with a Bachelor's degree (First Class Honours) in Mechanical Engineering. Mr. Koh also holds a Master's degree in Business Administration (Distinction) from Harvard Business School. Mr. Koh was awarded Singapore's Public Service Star by the President of Singapore in 1991 and the Meritorious Service Medal in 1995.

Mr. Koh does not have any relationships with other Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the Listing Rules) of the Group. Save as aforesaid, Mr. Koh did not hold other directorship in any public listed companies in the last three years and he does not hold any other position in the Group.

Mr. Koh has entered into a letter of appointment with the Company for a term of two years commencing from 16th April 2005, which continues thereafter until terminated by either party giving at least one month's notice in writing or such shorter period as both parties may agree. He is entitled to the director's fee of HK\$165,000 per year or such other sum as the Company may from time to time decide, which is determined upon negotiation between Mr. Koh and the Company at arm's length on the basis of his previous experience, professional qualifications, responsibilities to be involved in the Company and the amount of time devoted to the Company's business as well as the current financial position of the Company and the prevailing market conditions.

Dr. Dick Mei Chang (“Dr. Chang”), aged 66, has been appointed to our Board since November 2004. Dr. Chang is currently President and the Chief Executive Officer of Abago Technologies, a privately held semiconductor company headquartered in the USA and Singapore. Dr. Chang has over 30 years’ experience in the development, manufacturing and marketing of semiconductor products. He joined Hewlett-Packard Company (“HP”) in 1967 as a member of the technical staff at HP Labs. Over the years, he held several managerial positions within the semiconductor products group of HP. In 1999, the semiconductor products group was spun off HP as part of Agilent Technologies, Inc.. Dr. Chang became senior vice president and general manager of the Semiconductor Products Group of Agilent Technologies Inc., in 2002. Dr. Chang received a Bachelor’s degree in physics from the California Institute of Technology and a Doctor’s degree in applied physics from Stanford University.

Dr. Chang does not have any relationships with other Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the Listing Rules) of the Group. Save as aforesaid, Dr. Chang did not hold other directorship in any public listed companies in the last three years and he does not hold any other position in the Group.

Dr. Chang has entered into a letter of appointment with the Company for a term of two years commencing from 16th April 2005, which continues thereafter until terminated by either party giving at least one month’s notice in writing or such shorter period as both parties may agree. He is entitled to the director’s fee of HK\$125,000 per year or such other sum as the Company may from time to time decide, which is determined upon negotiation between Dr. Chang and the Company at arm’s length on the basis of his previous experience, professional qualifications, responsibilities to be involved in the Company and the amount of time devoted to the Company’s business as well as the current financial position of the Company and the prevailing market conditions.

Mr. Mok Joe Kuen Richard (“Mr. Mok”), aged 42, has been appointed to our Board since April 2005. Mr. Mok is currently a director at Ulmus Investment Limited, which provides investment services to global private equity funds and private investors. With over 19 years’ experience in finance, Mr. Mok is a Hong Kong certified public accountant and a chartered accountant in the United Kingdom. Mr. Mok graduated from London School of Economics and Political Science, London University in 1985.

Mr. Mok does not have any relationships with other Directors, senior management, substantial shareholders, or controlling shareholders (as defined in the Listing Rules) of the Group. Save as aforesaid, Mr. Mok did not hold other directorship in any public listed companies in the last three years and he does not hold any other position in the Group.

Mr. Mok has entered into a letter of appointment with the Company for a term of two years commencing from 16th April 2005, which continues thereafter until terminated by either party giving at least one month’s notice in writing or such shorter period as both parties may agree. He is entitled to the director’s fee of HK\$145,000 per year or such other sum as the Company may from time to time decide, which is determined upon negotiation between Mr. Mok and the Company at arm’s length on the basis of his previous experience, professional qualifications, responsibilities to be involved in the Company and the amount of time devoted to the Company’s business as well as the current financial position of the Company and the prevailing market conditions.

Interests in Shares

As at the Latest Practicable Date, the interests of the Retiring Directors in the Shares (within the meaning of Divisions 7 and 8 of Part XV of the SFO), were as follows:

Name of Director	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding
Mr. Benjamin Zhengmin Pan ⁽¹⁾	Beneficial owner, interest of children under 18; trustee and interest of controlled corporation	352,043,504	28.21%
Ms. Ingrid Chunyuan Wu ⁽²⁾	Beneficial owner, interest of children under 18 and trustee	293,706,024	23.53%
Mr. Yang Dong Shao ⁽³⁾	Interest of controlled corporation	43,968,443	3.52%
Mr. Koh Boon Hwee	Beneficial owner	1,307,562	0.10%

Notes:

- (1) Mr. Benjamin Zhengmin Pan (“Mr. Pan”) beneficially owns 218,520,634 shares. Mr. Pan is also deemed or taken to be interested in the following shares for the purposes of the SFO:
 - (i) 49,645,440 shares which are beneficially owned by Silver Island Limited, a company 100% owned by Mr. Pan;
 - (ii) 75,220,434 shares which are deemed to be beneficially owned by Mr. Pan, as trustee of the Benjamin Zhengmin Pan 2005 Annuity Trust dated 18th June, 2005;
 - (iii) 8,656,996 shares which are deemed to be beneficially owned by Mr. Pan and Ms. Ingrid Chunyuan Wu’s (“Ms. Wu”) descendants, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10th May, 2005. Both children of Mr. Pan and Ms. Wu are under the age of 18; and
- (2) Ms. Wu beneficially owns 209,828,594 shares. Ms. Wu is also deemed or taken to be interested in the following shares for the purposes of the SFO:
 - (i) 75,220,434 shares which are deemed to be beneficially owned by Ms. Wu, as trustee of the Ingrid Chunyuan Wu 2005 Annuity Trust dated 18th June, 2005;
 - (ii) 8,656,996 shares which are deemed to be beneficially owned by Mr. Pan and Ms. Wu’s descendants, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10th May, 2005. Both children of Mr. Pan and Ms. Wu are under the age of 18; and
- (3) Mr. Yang Dong Shao has 50% management control over any decisions made by Chengwei Ventures Shanghai LLC in connection with the investment made through its controlled corporations in the Company and therefore, Mr. Yang Dong Shao is deemed or taken to be interested in the 43,968,443 shares which are beneficially owned by Chengwei AAC Holdings Ltd for the purposes of the SFO.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Retiring Directors had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7

and 8 of Part XV of the SFO, including interests and short position which they are deemed or taken to have under such provisions of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

Saved as disclosed above, there are no other matters in relation to the proposed re-elections that needed to be brought to the attention of the Stock Exchange or the Shareholders. There is no information relating to all the Retiring Directors that is required to be disclosed pursuant to Rules 13.51(2)(h)–(v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2018)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AAC Acoustic Technologies Holdings Inc. (the “Company”) will be held at Salon IV, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong, on Monday, 29th May 2006 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 31st December 2005.
2. To re-elect directors and to authorize the board of directors to fix their remuneration.
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration.

As special business, to consider, and if thought fit, pass the following ordinary and special resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the memorandum and articles of association of the Company from time to time shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

5. “**THAT**:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon resolutions nos. 4 and 5 above being passed, the aggregate nominal amount of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 5

NOTICE OF ANNUAL GENERAL MEETING

above shall be added to the aggregate nominal amount of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4 above.”

SPECIAL RESOLUTION

7. “**THAT**, the existing articles of association of the Company be and are hereby amended in the following manner:

(a) With respect to Article 86(3), by deleting the provision in its entirety and replacing therewith the following:

“The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”

(b) With respect to Article 86(5), by deleting the provision in its entirety and replacing therewith the following:

“The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).”

By Order of the Board
AAC ACOUSTIC TECHNOLOGIES HOLDINGS INC.
Koh Boon Hwee
Chairman

Hong Kong, 28th April 2006

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) Completion and return of the form of proxy will not preclude members from attending and voting in person at the annual general meeting or any adjournment.

NOTICE OF ANNUAL GENERAL MEETING

- (3) The Register of Members of the Company will be closed from 24th May 2006 to 29th May 2006, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming Annual General Meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 23rd May 2006.
- (4) As at the date of this notice, the Board of Directors of the Company comprises an executive director, Mr. Benjamin Zhengmin Pan; three non-executive directors, Ms. Ingrid Chunyuan Wu, Mr. Yang Dong Shao and Dr. Thomas Kalon Ng; and three independent non-executive directors, Mr. Koh Boon Hwee, Dr. Dick Mei Chang and Mr. Mok Joe Kuen Richard.