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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)

**VOLUNTARY ANNOUNCEMENT
INTRODUCTION OF STRATEGIC INVESTORS
OF THE OPTICAL BUSINESS**

This voluntary announcement is made by AAC Technologies Holdings Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform the shareholders and potential investors of the Company of the latest business development of the Group.

The board of directors of the Company is pleased to announce that AAC Communication Technologies (Changzhou) Co., Ltd.* (瑞聲通訊科技（常州）有限公司) (the “**Target Company**” or “**AAC Communication**”, together with all of its subsidiaries principally engaged in optical business after reorganization, “**AAC Communication Group**”), a subsidiary of the Company, has introduced strategic investors. As of 22 July 2020, the Target Company and its existing shareholders (namely AAC Technologies Limited (瑞聲科技（香港）有限公司) and AAC Technology Information Consultancy (Changzhou) Co., Ltd.* (瑞聲科技信息諮詢（常州）有限公司), both being subsidiaries of the Company) have successively entered into the capital increase agreements (the “**Capital Increase Agreements**”) with four 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）) and Nanjing Huarui Ruijun Entrepreneurship Investment Center (Limited Partnership)* (南京華睿睿軍創業投資中心（有限合夥）) (the “**Strategic Investors**”), respectively, pursuant to which, the Strategic Investors have agreed to make a capital increase of RMB1,150,000,000 in aggregate to the Target Company. The Strategic Investors will obtain a total of approximately 9.58% of the enlarged equity interest in the Target Company after the capital increase (the “**Capital Increase**”). The Target Company will remain as a controlling subsidiary of the Company and its financial information will be consolidated into the

consolidated financial statements of the Company.

The investment in AAC Communication by Hubei Xiaomi Changjiang Industrial Fund Partnership (Limited Partnership), OPPO Guangdong Mobile Communication Co., Ltd., Shenzhen Huiyou Haochuang Technology Investment Partnership (Limited Partnership) and Nanjing Huarui Ruijun Entrepreneurship Investment Center (Limited Partnership) as Strategic Investors will promote AAC Communication's position in the industry, diversify its shareholding structure, accelerate its business development and optimize its business resource integration. AAC Communication will fully integrate the resource advantages of itself and the Strategic Investors, gain more insights into future market demands, utilize user experience and seize the development trends and opportunities of the industry. This investment will significantly strengthen AAC Communication's business expansion and the strategic layout of its optical business. The investment also benefits AAC communication's marketization process, its gradual establishment of an independent fundraising platform, which will subsequently facilitate the sustainable growth of its business and enhance the overall value of the Group.

Completion of the Capital Increase is subject to the satisfaction of the relevant Conditions Precedent and the completion of the transaction and industrial and commercial registration procedures. Therefore, the Capital Increase may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

I Overview

The board of directors of the Company is pleased to announce that AAC Communication, a subsidiary of the Company, has introduced strategic investors. As of 22 July 2020, the Target Company and its existing shareholders have successively entered into the Capital Increase Agreements with four Strategic Investors, respectively, pursuant to which, the Strategic Investors agreed to make a capital increase of RMB1,150,000,000 in aggregate to AAC Communication. The Strategic Investors will obtain a total of approximately 9.58% of the enlarged equity interest in AAC Communication after the Capital Increase. Upon completion of the Capital Increase, the registered capital of the Target Company will be RMB6,017,638,706 and the Company will own approximately 90.42% of the enlarged equity interest in the Target Company. As such, the Target Company will remain as a controlling subsidiary of the Company and its financial information will be consolidated into the consolidated financial statements of the Company.

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the above Strategic Investors and their ultimate beneficial owners are independent third parties. This transaction is not a connected transaction under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Furthermore, as all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Increase Agreements are

less than 5%, entering into the Capital Increase Agreements and the Capital Increase are not subject to any notification and announcement requirement as set out in Chapter 14 of the Listing Rules and not subject to the approval of the shareholders of the Company at the general meeting.

II General Information on the Strategic Investors

1. 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))

Business nature:	Limited partnership
Scope of business:	Engaged in non-securities equity investment activities and related consulting services (excluding projects restricted and prohibited by national laws and regulations, and decisions of the State Council of the People's Republic of China; prohibited to publicly raise or issue funds in any ways) (prohibited to engage in absorbing public deposits or absorbing public deposits in a disguised form, and prohibited to engage in financial services such as issuing loans). (Projects that are subject to approval in accordance with the laws can only be operated after being approved by relevant departments)
General partner:	Hubei Xiaomi Changjiang Industrial Investment Fund Management Co., Ltd.* (湖北小米長江產業投資基金管理有限公司), whose controlling shareholder is Xiaomi Industry Investment Management Co., Ltd.* (小米產業投資管理有限公司), ultimately controlled by Mr. Jun LEI (雷軍)

2. OPPO Guangdong Mobile Communication Co., Ltd.* (OPPO廣東移動通信有限公司)

Business nature:	Limited liability company
Scope of business:	Manufacture and sell: VCD players, DVD players, small household appliances, flat-panel televisions, MP3 players, mobile phones, cordless phones, various communication terminal equipment, peripheral products and components of mobile phones, mobile phone accessories, tablet computers, peripheral products and components, first-category medical devices and second-category medical devices. Chip processing of electronic products. Engaged in the development of electronic products and software and hardware of mobile communication terminal equipment and related ancillary services, engaged in the technology development services of mobile phones, peripheral products and components. Import and export of goods and technology. (Excluding projects involving prohibition, restriction or the national macro-control policies; while projects involving quota license management or special regulation management shall be handled in accordance with relevant regulations). (Projects that are

	subject to approval in accordance with the laws can only be operated after being approved by relevant departments)
Shareholder:	Wholly owned by Guangdong Oujia Holding Co., Ltd.* (廣東歐加控股有限公司), which in turn is owned by the Trade Union Committee of Guangdong Oujia Holding Co., Ltd.* (廣東歐加控股有限公司工會委員會) as to more than 50% of its equity interest.

3. 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))

Business nature:	Limited partnership
Scope of business:	Investment in science and technology projects (excluding restricted projects); investment in industrial projects (specific projects shall be reported separately); investment consultation (excluding restricted projects); scientific and technological information consultation. (The above does not include restricted projects)
General partner:	Shenzhen Huiyou Chuangying Investment Management Co., Ltd.* (深圳市惠友創盈投資管理有限公司), owned by Mr. Longzhong YANG (楊龍忠) and Mr. Weigang HUANG (黃衛鋼)

4. Nanjing Huarui Ruijun Entrepreneurship Investment Center (Limited Partnership)* (南京華睿睿軍創業投資中心 (有限合夥))

Business nature:	Limited partnership
Scope of business:	Start-up investment and equity investment (Projects that are subject to approval in accordance with the laws can only be operated after being approved by relevant departments)
General partner:	Jiangsu Huarui Investment Management Co., Ltd.* (江蘇華睿投資管理有限公司), ultimately owned by Mr. Mangen WANG (王滿根) and Ms. Xia TAN (檀霞)

III General Information on the Target Company

Company name:	AAC Communication Technologies (Changzhou) Co., Ltd.* (瑞聲通訊科技(常州)有限公司)
Business nature:	Limited liability company
Date of establishment:	31 December 2008
Current registered capital:	RMB5,440,948,331
Legal representative:	Guolin WU (吳國林)
Registered address:	1 Xinwei Road, Comprehensive Bonded Zone, Changzhou (常州綜合保稅區新緯一路)

Principal business:	Provision of optical products and optical solutions
Shareholders:	Owned by AAC Technologies Limited (瑞聲科技(香港)有限公司) and AAC Technology Information Consultancy (Changzhou) Co., Ltd.* (瑞聲科技信息諮詢(常州)有限公司) as to 25% and 75% equity interest, respectively.

Both AAC Technologies Limited (瑞聲科技(香港)有限公司) and AAC Technology Information Consultancy (Changzhou) Co., Ltd.* (瑞聲科技信息諮詢(常州)有限公司) have waived the pre-emption rights in respect of the Capital Increase in AAC Communication.

IV Pricing Policy and Basis for the Transaction

The transaction price for the Capital Increase was determined by the parties through negotiation in the principles of willingness, equality and fairness. The parties agreed that the Strategic Investors will make a capital increase of RMB1,150,000,000 in aggregate to AAC Communication based on the valuation of the Target Company of RMB12,000,000,000 after the investment. The Strategic Investors will obtain a total of approximately 9.58% of the enlarged equity interest in the Target Company after the Capital Increase. Upon completion of the Capital Increase, the registered capital of the Target Company will be RMB6,017,638,706.

V Major Terms of the Capital Increase Agreements

(I) Contributions of the Strategic Investors and Their Respective Shareholdings after the Capital Increase

No.	Strategic Investors	Capital increase amount (Yuan/RMB)	Corresponding subscribed increased registered capital (Yuan/RMB)	Approximate shareholding after the Capital Increase
1	Hubei Xiaomi Changjiang Industrial Fund Partnership (Limited Partnership)*	480,000,000	240,705,548	4.00%
2	OPPO Guangdong Mobile Communication Co., Ltd.*	480,000,000	240,705,548	4.00%

3	Shenzhen Huiyou Haochuang Technology Investment Partnership (Limited Partnership)*	120,000,000	60,176,387	1.00%
4	Nanjing Huarui Ruijun Entrepreneurship Investment Center (Limited Partnership)*	70,000,000	35,102,892	0.58%
Total		1,150,000,000	576,690,375	9.58%

(II) Use of Proceeds from the Capital Increase

AAC Communication intends to commit all of the proceeds from the Capital Increase to increase working capital, such as capital expenditure, employment, relevant research and development expenses as well as other expenses approved by the board of directors of AAC Communication or agreed by the specific investor.

(III) Conditions precedent

The Strategic Investors' obligation to pay the capital increase amount shall be subject to the satisfaction or waiver by the Strategic Investors (as the case may be) of the conditions precedent (the "**Conditions Precedent**"), which mainly include: (1) the statement and guarantees made by existing shareholders of AAC Communication Group and AAC Communication are true, accurate, complete and not misleading; (2) necessary external approvals, consents and waivers, etc., have been obtained; (3) the general meeting of AAC Communication has unanimously approved the Capital Increase and related documents; (4) the Shareholders' Agreement and articles of association (the format and contents of which are set out in the appendices of the Capital Increase Agreements) of AAC Communication have been properly signed and delivered; and (5) no material adverse changes have occurred on AAC Communication Group.

(IV) Payment of the Capital Increase Amount

The Strategic Investors shall pay the capital increase amount to AAC Communication within 10 business days upon satisfaction or waiver of all Conditions Precedent and the receipt of settlement documents.

(V) Shareholders' Agreement

Upon completion of the Capital Increase, the Shareholders' Agreement entered into by all shareholders of AAC Communications will become effective, the format and contents of which are set out in the appendices of the Capital Increase Agreements. The Shareholders' Agreement will include some priority rights of shareholders to the Strategic Investors including the right to be informed, pre-emption right, right of first refusal, co-sale rights and anti-dilution right, and relevant restrictions on further equity transfers by the Strategic Investors.

VI Transaction Purpose and Effects on the Company

AAC Communication, the subsidiary of the Company, is principally engaged in provision of optical products and optical solutions.

The investment in AAC Communication by the Strategic Investors will promote AAC Communication's position in the industry, diversify its shareholding structure, accelerate its business development and optimize its business resource integration. Considering AAC Communication's integration and cooperation of its business resource in the future, it will fully integrate the resource advantages of itself and the Strategic Investors, gain more insights into future market demands, utilize user experience and seize the development trends and opportunities of the industry. This will significantly strengthen AAC Communication's business expansion and the strategic layout of its optical business.

The investment also benefits AAC communication's marketization process, its gradual establishment of an independent fundraising platform, which will subsequently facilitate the sustainable growth of its business and enhance the overall value of the Group.

VII Others

The Company will continue to comply with the corresponding approval procedures and information disclosure obligations in accordance with relevant laws and regulations according to the development and progress of the transaction.

Completion of the Capital Increase is subject to the satisfaction of the relevant Conditions Precedent and the completion of the transaction and industrial and commercial registration procedures. Therefore, the Capital Increase may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

** 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 are included herein for identification purpose only. In the event of any inconsistency, the Chinese version shall prevail.*

On behalf of the Board
AAC Technologies Holdings Inc.
Ho Siu Tak Jonathan
Company Secretary

Hong Kong, 22 July 2020



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The directors of the Company as at the date of this announcement are:

Executive Directors:

Mr. Pan Benjamin Zhengmin
Mr. Mok Joe Kuen Richard

Independent Non-executive Directors:

Mr. Zhang Hongjiang
Mr. Au Siu Cheung Albert
Mr. Peng Zhiyuan
Mr. Kwok Lam Kwong Larry

Non-executive Director:

Ms. Wu Ingrid Chun Yuan