
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Circular or as to the action you should take, you should consult your independent financial adviser, stockbroker, solicitor, professional accountant or other professional adviser immediately.

If you have sold or otherwise transferred all your Shares in the Company, you should at once hand this Circular and the accompanying Form of Proxy to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

vtech

VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 303)

**GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

This Circular should be read as a whole, your attention is drawn to the letter from the Board of the Company which is set out on pages 2 to 5 of this Circular. A notice convening the annual general meeting of VTech Holdings Limited to be held at Jade & Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 12 July 2019 at 3:30 p.m. (Hong Kong time) is set out on pages 12 to 15 of this Circular.

Whether or not you are able to attend the 2019 AGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2019 AGM or any adjournment thereof. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the 2019 AGM or any adjournment thereof if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

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DEFINITIONS

In this Circular, the following expressions have the following meanings unless the context otherwise requires:

“2018 AGM”	the annual general meeting of the Company for the year ended 31 March 2018 held on 11 July 2018;
“2019 AGM”	the annual general meeting (or any adjournment or postponement thereof) of the Company for the year ended 31 March 2019 to be held on Friday, 12 July 2019 at 3:30 p.m. (Hong Kong time);
“2019 Annual Report”	annual report of the Company for the year ended 31 March 2019;
“AGM Notice”	the notice convening the 2019 AGM, which is set out on pages 12 to 15 of this Circular;
“Board”	the board of Directors from time to time;
“Circular”	this document;
“Company”	VTech Holdings Limited, an exempted company incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended), the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s), including all the independent non-executive director(s), of the Company from time to time;
“Form of Proxy”	the form of proxy for use at the 2019 AGM accompanying this Circular;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	has the meaning ascribed to it under the section headed “3. General Mandate to Issue New Shares” in the “Letter from the Board” contained in this Circular;
“Latest Practicable Date”	3 June 2019, being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information included herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
“Repurchase Mandate”	has the meaning ascribed to it under the section headed “2. General Mandate to Repurchase Shares” in the “Letter from the Board” contained in this Circular;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Shareholder(s)”	holder(s) of Share(s);
“Share Purchase Scheme”	the share purchase scheme adopted by the Company on 30 March 2011 and amended on 19 May 2015;
“Share(s)”	ordinary share(s) of US\$0.05 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“US\$”	United States of America dollars, the lawful currency of the United States of America.



VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 303)

Executive Directors:

Allan WONG Chi Yun

(Chairman and Group Chief Executive Officer)

PANG King Fai

Andy LEUNG Hon Kwong

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

William FUNG Kwok Lun

KO Ping Keung

Patrick WANG Shui Chung

WONG Kai Man

Principal Office in Hong Kong:

23rd Floor, Tai Ping Industrial Centre

Block 1, 57 Ting Kok Road

Tai Po, New Territories

Hong Kong

10 June 2019

To the Shareholders,

**GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this Circular is to seek your approval on proposals to (i) grant general mandates to repurchase Shares and to issue new Shares; (ii) re-elect the retiring Directors and to provide you with information in connection with such proposals. Your approval on such proposals will be sought at the 2019 AGM.

2. GENERAL MANDATE TO REPURCHASE SHARES

The previous general mandate granted to the Directors at the 2018 AGM to exercise the powers of the Company to repurchase Shares will expire at the 2019 AGM.

At the 2019 AGM, Resolution 5 set out in the AGM Notice will be proposed at the 2019 AGM as an ordinary resolution pursuant to which the Directors will be granted a general and unconditional mandate to exercise the powers of the Company to repurchase issued Shares subject to the criteria set out in the said Resolution 5 (the "Repurchase Mandate"). The authority relates only to repurchases made on the Stock Exchange and otherwise in accordance with the Listing Rules. The Repurchase Mandate covers repurchases made or agreed to be made only during the period ending on the earlier of (i) the conclusion of the annual general meeting of the Company to be held in 2020, or (ii) the authority given under the said Resolution 5 is revoked or varied by an ordinary resolution of the Shareholders in general meeting. The explanatory statement

LETTER FROM THE BOARD

required under Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in Appendix I to this Circular.

The full text of the ordinary resolution to be proposed at the 2019 AGM in relation to the Repurchase Mandate is set out in Resolution 5 in the AGM Notice set out on pages 12 to 13 of this Circular.

3. GENERAL MANDATE TO ISSUE NEW SHARES

The previous general mandate granted to the Directors at the 2018 AGM to exercise the powers of the Company to allot, issue and deal with Shares will expire at the 2019 AGM.

The Directors are aware of the investors' concern on the possible dilution of shareholding interests resulting from the exercise of the general mandate to issue Shares. Accordingly, the Directors propose, as in previous years, to limit the general mandate to 10% (rather than 20% as allowed by the Listing Rules) of the aggregate nominal amount of the share capital of the Company in issue at the date the resolution is passed (the "Issue Mandate"). In addition, any Shares to be allotted and issued (whether wholly or partly for cash or otherwise) under the Issue Mandate shall not be issued at a discount of more than 10% to the "Benchmarked Price" (as described under Rule 13.36(5) of the Listing Rules and defined in Resolution 6 set out in the AGM Notice) (rather than 20% as limited under the Listing Rules). As at the Latest Practicable Date, there were in issue an aggregate of 251,572,133 Shares. On the basis that no further new Shares will be issued or repurchased prior to the 2019 AGM, the Company would be allowed to allot, issue and deal with a maximum of 25,157,213 further new Shares.

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to issue Shares for flexibility in raising capital or other strategic needs that may arise from time to time.

The authority of the Directors to allot and issue new Shares pursuant to the said Resolution 6 shall expire on the earlier of (i) the conclusion of the annual general meeting of the Company to be held in 2020, or (ii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

The full text of the ordinary resolution to be proposed at the 2019 AGM in relation to the Issue Mandate is set out in Resolution 6 in the AGM Notice set out on pages 13 to 15 of this Circular.

4. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 112(A) of the Bye-laws of the Company, Dr. Allan WONG Chi Yun, Mr. Andy LEUNG Hon Kwong and Dr. Patrick WANG Shui Chung shall retire as Directors by rotation at the 2019 AGM and, being eligible, shall offer themselves for re-election.

The re-election of Directors had been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for the Shareholders' approval at the 2019 AGM. The recommendation were made in accordance with the Nomination Policy and the Board Diversity Policy of the Company including but not limited to gender, age, cultural and educational background, skills, knowledge, industry and professional experience, independence, length of service and time commitment to the Company's business. The Nomination Policy and the Board Diversity Policy of the Company are set out in the "Corporate Governance Report" of the 2019 Annual Report.

LETTER FROM THE BOARD

The Nomination Committee and the Board had also taken into account the diversified industry experience and contributions of Dr. Patrick WANG Shui Chung to the Board and his firm commitment to his independent role. The Nomination Committee and the Board were satisfied with his independence with reference to the criteria set out in Rule 3.13 of the Listing Rules. Dr. Patrick WANG Shui Chung does not hold any cross-directorship or have any significant links with other Directors through involvement in other companies or bodies.

The Nomination Committee was satisfied that Dr. Patrick WANG Shui Chung has the required character, integrity and experience to continue fulfilling the role of an independent non-executive Director. Notwithstanding that Dr. Patrick WANG Shui Chung has served on the Board for more than nine years, the Nomination Committee and the Board are of the view that this does not and would not affect the exercise of his independent judgement as he has been providing objective views and independent opinions to the Company over the years. Dr. Patrick WANG Shui Chung is not involved in the daily management of the Company nor in any relationships or circumstances which would interfere with the exercise of his independent judgement.

The Board, based on the recommendation of the Nomination Committee, believes that Dr. Patrick WANG Shui Chung continues to be independent and provide valuable contributions, relevant insights and can contribute to the diversity to the Board. Further information about the skills and experience of Dr. Patrick WANG Shui Chung are set out in the “Board Skills and Experience” under “Corporate Governance Report” of the 2019 Annual Report. Accordingly, the Board recommends him to be re-elected at the 2019 AGM.

Details of the Directors who are proposed to be re-elected at the 2019 AGM are set out in Appendix II to this Circular.

Under Resolution 3 set out in the AGM Notice, the re-election of Directors will be individually voted on by the Shareholders.

5. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. The Chairman will therefore, pursuant to Bye-law 75 of the Bye-laws of the Company, demand a poll for every resolution put to the vote of the 2019 AGM.

The results of the poll will be published on the websites of the Stock Exchange and the Company following the 2019 AGM.

6. NOTICE OF 2019 AGM

The AGM Notice is set out on pages 12 to 15 of this Circular.

A Form of Proxy is enclosed with this Circular for use at the 2019 AGM. The Form of Proxy can also be downloaded from the Company’s website at www.vtech.com or the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the 2019 AGM, you are requested to complete and return the enclosed Form of Proxy to the Company’s registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the 2019 AGM or any adjournment thereof. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the 2019 AGM or any adjournment thereof if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked. No Shareholder is required to abstain from voting at the 2019 AGM.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

8. RECOMMENDATIONS

The Directors consider that the Repurchase Mandate, the Issue Mandate, and the re-election of Directors are each in the best interests of the Company and its Shareholders as a whole and recommend the Shareholders to vote in favour of these resolutions to be proposed at the 2019 AGM.

Yours faithfully
For and on behalf of
VTech Holdings Limited
Allan WONG Chi Yun
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

Share Capital and Maximum Number of Shares that may be Repurchased

The maximum number of Shares that may be repurchased on the Stock Exchange pursuant to the Repurchase Mandate will be such number of Shares as represents 10% of the share capital of the Company in issue on the date of the 2019 AGM. As at the Latest Practicable Date, there were in issue an aggregate of 251,572,133 Shares. Subject to the passing of the relevant resolution approving the Repurchase Mandate to repurchase Shares and on the basis that no Shares are issued or repurchased prior to the 2019 AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 25,157,213 Shares. The mandate relates only to repurchases of Shares which are fully paid up.

Reasons for Repurchases

While it is not possible to anticipate any specific circumstances in which the Directors might think it appropriate to repurchase Shares, the Directors believe that an authority to do so would give the Company additional flexibility that would be beneficial. The Directors have no current intention to repurchase any Shares.

In reaching a decision as to whether to make any such repurchase, the Directors will take into account the market conditions and the Company's funding arrangements at the time and whether or not such repurchase would lead to an enhancement of the net asset value per Share and/or its earnings per Share. Shareholders can be assured that the Directors would only make a repurchase in circumstances where they consider it to be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on favourable terms after obtaining all necessary consents which may be required under loan or finance documentation.

On the basis of the consolidated statement of financial position of the Company as at 31 March 2019 (being the date to which the latest published audited consolidated financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares to which the Repurchase Mandate relates, the Directors consider that it is likely that there would be an adverse impact on the working capital position and the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full during the repurchase period. No repurchases would be made where such repurchases would have a material adverse impact on the working capital position of the Company unless the Directors consider that such repurchases were in the best interests of the Company.

Funding of Repurchases

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase its Shares. Purchases of Shares must be financed out of funds legally available for such purpose in accordance with the Company's Memorandum of Association and Bye-laws and the laws of Bermuda and will be funded by the resources of the Company. Bermuda law provides that the amount of capital paid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares or the funds of the Company that would otherwise be available for dividend or distribution of the proceeds of a new issue of Shares made for the purpose. The amount of premium payable on repurchase may only be paid out of the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased. Should the Directors consider it desirable, they would be able to finance the repurchase out of funds borrowed against any of the above-mentioned accounts.

Listing Rules

The reporting requirements contained in the Listing Rules specify that, *inter alia*, a listed company shall report all repurchases of its securities to the Stock Exchange no later than 8:30 a.m. (Hong Kong time) on the business day following the date of repurchase of any securities and shall include in its annual report a monthly breakdown of repurchases of securities.

Directors' Undertaking

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, all applicable Bermuda laws, and the Memorandum of Association and Bye-laws of the Company.

Disclosure of Interests

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the close associates (as defined in the Listing Rules) of any of the Directors, have any present intention, in the event that the grant to the Directors of the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No persons who are core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchases of Shares.

Hong Kong Code on Takeovers and Mergers

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Codes on Takeovers and Mergers (the "Takeovers Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for the securities of the Company under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the total interests of Dr. Allan WONG Chi Yun (including interests held directly and indirectly by the trustee of a discretionary trust in which Dr. Allan WONG Chi Yun is the founder and accordingly is deemed interested under the SFO) was 34.87% in the issued share capital of the Company.

If, which is not presently contemplated, the Company was to repurchase Shares up to the permitted maximum of 10% of its existing issued share capital as at the Latest Practicable Date from the public shareholding, the percentage shareholding of Dr. Allan WONG Chi Yun (including interests held directly and indirectly by the trustee of a discretionary trust in which Dr. Allan WONG Chi Yun is the founder and accordingly is deemed interested under the SFO) would increase to 38.74% in the issued share capital of the Company, such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not have any intention to exercise the power to repurchase Shares of the Company to an extent which would make any of the substantial Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect.

Share Prices and Share Repurchase Records

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
June	98.95	89.20
July	92.10	85.00
August	88.95	84.35
September	93.95	84.50
October	93.20	84.10
November	93.50	73.30
December	76.45	64.15
2019		
January	75.95	63.10
February	83.20	73.15
March	85.00	78.20
April	83.05	70.80
May	73.00	64.65
June, up to the Latest Practicable Date	65.50	63.80

During the six months preceding the Latest Practicable Date, no Shares were repurchased by the Company pursuant to Repurchase Mandate.

Status of Repurchased Shares

Under Bermuda law, any Shares repurchased by the Company will be treated as cancelled and the issued share capital of the Company, but not the aggregate amount of its authorised share capital, will be reduced accordingly.

The followings are the details of the retiring Directors proposed to be re-elected at the 2019 AGM:

Dr. Allan WONG Chi Yun

Allan WONG Chi Yun, GBS, MBE, JP, aged 68, Chairman and Group Chief Executive Officer, co-founded the Group in 1976. Dr. Allan WONG Chi Yun holds a Bachelor of Science degree in Electrical Engineering from The University of Hong Kong, a Master of Science degree in Electrical and Computer Engineering from the University of Wisconsin and an Honorary Doctorate of Technology from The Hong Kong Polytechnic University. He is the deputy chairman and an independent non-executive director of The Bank of East Asia, Limited, and an independent non-executive director of China-Hongkong Photo Products Holdings Limited, Li & Fung Limited and MTR Corporation Limited. Save as disclosed above, Dr. Allan WONG Chi Yun did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Dr. Allan WONG Chi Yun holds directorships in certain subsidiaries of the Group. Save as being the founder of a discretionary trust which holds 74,101,153 Shares as disclosed below, Dr. Allan WONG Chi Yun has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Allan WONG Chi Yun had personal interests of 9,654,393 Shares, family interest of 3,968,683 Shares, other interests of 74,101,153 Shares held by a discretionary trust in which Dr. Allan WONG Chi Yun is the founder within the meaning of Part XV of the SFO. Details of his interests are provided in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” under the “Report of the Directors” in the 2019 Annual Report. There is no service contract entered into between Dr. Allan WONG Chi Yun and the Company or any of its subsidiaries that is not determinable by the Group within one year without payment of compensation (other than statutory compensation) and his directorship is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Dr. Allan WONG Chi Yun is entitled to a Director’s fee as approved from time to time by the Shareholders at the annual general meeting of the Company, pro rata to his length of service during the year. The current Director’s fee of Dr. Allan WONG Chi Yun as an executive Director is US\$30,000 per annum, and an additional fee as a member of Nomination Committee is US\$2,000 per annum. Details of his emoluments for the year ended 31 March 2019 are set out in note 3 to the financial statements in the 2019 Annual Report. The amount of emoluments will be subject to annual review by the Remuneration Committee with reference to his scope of responsibilities, the prevailing market conditions and the results of the Company.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Andy LEUNG Hon Kwong

Andy LEUNG Hon Kwong, aged 60, Executive Director and Chief Executive Officer of Contract Manufacturing Services, holds a Bachelor of Science degree in Electrical and Electronic Engineering from the University of Newcastle upon Tyne in the United Kingdom and an MBA degree from Oklahoma City University in the United States. He is also responsible for overseeing China Services Department of the Group. Mr. Andy LEUNG Hon Kwong joined the Group in 1988, left the Group in 1990 and re-joined in 1991. He became the Chief Executive Officer of Contract Manufacturing Services in 2002 after serving as General Manager for 9 years. Mr. Andy LEUNG Hon Kwong has over 20 years of experience in the electronics and manufacturing industry. Save as disclosed above, Mr. Andy LEUNG Hon Kwong did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Andy LEUNG Hon Kwong holds directorships in certain subsidiaries of the Group. Mr. Andy LEUNG Hon Kwong has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Andy LEUNG Hon Kwong was interested in 391,000 Shares within the meaning of Part XV of the SFO. Details of his interests are provided in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” under the “Report of the Directors” in the 2019 Annual Report. Mr. Andy LEUNG Hon Kwong has not entered into any service contract with the Company. Mr. Andy LEUNG Hon Kwong is proposed to be appointed for a term of three years and be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. Andy LEUNG Hon Kwong is entitled to a Director’s fee as approved from time to time by the Shareholders at the annual general meeting of the Company, pro-rata to his length of service during the year. The current Director’s fee of Mr. Andy LEUNG Hon Kwong as an executive Director of the Company is US\$30,000 per annum. Details of his emoluments for the year ended 31 March 2019 are set out in note 3 to the financial statements in the 2019 Annual Report. The amount of emoluments will be subject to annual review by the Remuneration Committee with reference to his scope of responsibilities, the prevailing market conditions and the results of the Company.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Dr. Patrick WANG Shui Chung

Patrick WANG Shui Chung, SBS, JP, aged 68, appointed as Independent Non-executive Director in 2001. Dr. Patrick WANG Shui Chung obtained his Bachelor of Science and Master of Science degrees in Electrical Engineering and received an Honorary Doctorate of Engineering from Purdue University in Indiana, USA. Dr. Patrick WANG Shui Chung is currently the chairman and chief executive of Johnson Electric Holdings Limited and a non-executive director of Tristate Holdings Limited. He is also a member of the Clinical Governance Committee of the Hong Kong Sanatorium & Hospital. Save as disclosed above, Dr. Patrick WANG Shui Chung did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Dr. Patrick WANG Shui Chung does not hold other positions in the Group. Dr. Patrick WANG Shui Chung has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Patrick WANG Shui Chung was interested in 162,000 Shares within the meaning of Part XV of the SFO. Details of his interests are provided in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” under the “Report of the Directors” in the 2019 Annual Report. Dr. Patrick WANG Shui Chung has not entered into any service contract with the Company. Dr. Patrick WANG Shui Chung is proposed to be appointed for a term of three years and be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Dr. Patrick WANG Shui Chung is entitled to receive a Director’s fee as approved from time to time by the Shareholders at the annual general meeting of the Company, pro-rata to his length of service during the year. The current Director’s fee of Dr. Patrick WANG Shui Chung as an independent non-executive Director is US\$30,000 per annum, and additional fees as a member of the Audit Committee and the Nomination Committee, and the chairman of the Remuneration Committee are US\$3,000, US\$2,000 and US\$3,000 per annum respectively. Details of his emoluments for the year ended 31 March 2019 are set out in note 3 to the financial statements in the 2019 Annual Report. The amount of his Director’s fee has been determined by the Board of the Company with reference to his scope of responsibilities and the prevailing market conditions.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

vtech

VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 303)

NOTICE IS HEREBY GIVEN that the annual general meeting (“2019 AGM”) of the shareholders of VTech Holdings Limited (the “Company”) will be held at Jade & Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 12 July 2019 at 3:30 p.m. (Hong Kong time) for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited financial statements and the Reports of the Directors and Auditor for the year ended 31 March 2019.
2. To consider and declare a final dividend in respect of the year ended 31 March 2019.
3.
 - (a) To re-elect Dr. Allan WONG Chi Yun as Director;
 - (b) To re-elect Mr. Andy LEUNG Hon Kwong as Director;
 - (c) To re-elect Dr. Patrick WANG Shui Chung as Director;
 - (d) To fix the Directors’ fee (including the additional fee payable to chairman and members of the Audit Committee, Nomination Committee and Remuneration Committee) for the year ending 31 March 2020, pro rata to their length of services during the year.
4. To re-appoint KPMG as the Auditor and authorise the Board of Directors to fix its remuneration.

SPECIAL BUSINESS

Resolutions 5 and 6 will be proposed as ordinary resolutions of the Company:

5. **“THAT:**
 - (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors of the powers of the Company during the Relevant Period to repurchase ordinary shares of US\$0.05 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) subject to and in accordance with all applicable laws and the provisions of, and in the manner specified in, the Rules Governing the Listing of Securities on the Stock Exchange be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the shares (equivalent to a maximum of 25,157,213 shares) to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the annual general meeting at which this Resolution is passed;

NOTICE OF ANNUAL GENERAL MEETING

(c) the authority hereby conferred on the Company pursuant to the approval in paragraph (a) above shall expire on the earlier of (i) the conclusion of the first annual general meeting of the Company after the date of the annual general meeting at which this Resolution is passed, or (ii) such authority being revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earlier 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 Bye-laws of the Company or any applicable laws to be held; and

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT:**

(a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors of the powers of the Company during the Relevant Period to allot, issue and deal with additional unissued shares in the capital of the Company and to make or grant offers, agreements and/or options, including warrants to subscribe for shares and other rights of subscription for or conversion into shares, which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the share capital to be allotted, issued and dealt with by the Directors pursuant to the approval in paragraph (a) above, other than set out in paragraph (c) below, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the annual general meeting of the Company at which this Resolution is passed and the authority conferred on the Directors pursuant to paragraph (a) above shall expire on the earlier of (i) the conclusion of the first annual general meeting of the Company after the date of the annual general meeting at which this Resolution is passed, or (ii) such authority being revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, save that, in each case, such authority shall allow the Company before the expiry of such authority to make or grant offers, agreements and/or options (including warrants to subscribe for shares and other rights of subscription for or conversion into shares) which would or might require shares to be allotted and issued after the expiry of such authority and the Directors may allot, issue and deal with the shares in pursuance of such offers, agreements and/or options as if such authority conferred hereby had not expired;

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- (c) the provisions of paragraph (b) above shall not apply to the aggregate nominal amount of share capital allotted and/or issued or agreed to be conditionally or unconditionally allotted and/or issued by the Directors pursuant to:
 - (i) a rights issue where shares are offered for a fixed period to the shareholders in proportion to their then holdings of shares on a fixed record date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in, any territory applicable to the Company); or
 - (ii) any scrip dividend scheme or similar arrangements implemented in accordance with the Company's Bye-laws; or
 - (iii) the exercise of options granted under any share option scheme or similar arrangement adopted by the Company;
- (d) any shares to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the approval in paragraph (a) above shall not be issued at a discount of more than 10% to the Benchmarked Price of such Shares except that this provision shall not apply to the allotment and issuance of shares pursuant to the Share Purchase Scheme;
- (e) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors; and
- (f) for the purposes of this Resolution:

“Benchmarked Price” means the higher of:

- (i) the closing price of the shares of the Company as quoted on Stock Exchange on the date of the agreement involving the relevant proposed issue of shares of the Company under this Resolution; and
- (ii) the average closing price as quoted on Stock Exchange of the shares of the Company for the 5 trading days immediately preceding the earlier of the date: (1) of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company under this Resolution; (2) of the agreement involving the relevant proposed issue of shares of the Company under this Resolution; and (3) on which the price of shares of the Company that are proposed to be issued is fixed;

“Relevant Period” means the period from the passing of this Resolution until the earlier 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 Bye-laws of the Company or any applicable laws to be held; and

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- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

By Order of the Board
VTech Holdings Limited
CHANG Yu Wai
Company Secretary

Hong Kong, 10 June 2019

Notes:

1. At the 2019 AGM, the Chairman of the meeting will exercise his power under Bye-law 75 of the Company's Bye-laws to put each of the above resolutions to the vote by way of a poll.
2. Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of member. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2019 AGM or any adjournment thereof if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.
3. To be valid, the form of proxy must be lodged with the Company's registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the 2019 AGM or any adjournment thereof.
4. In the case of joint holders of a share, any one of such joint holders may vote at the 2019 AGM, either personally or by proxy, in respect of such shares as if he/she/it were solely entitled thereto. However, if more than one of such joint holders are present at the 2019 AGM, either personally or by proxy, the joint holder whose name stands first in the register of members of the Company shall alone be entitled to vote.
5. The register of members of the Company will be closed for the following periods:
 - (a) For the purpose of determining shareholders who are entitled to attend and vote at the 2019 AGM, the register of members of the Company will be closed from 9 July 2019 to 12 July 2019 (both days inclusive), during which no transfer of shares will be effected. In order to be entitled to attend and vote at the 2019 AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the principal share registrar of the Company, MUFG Fund Services (Bermuda) Limited of The Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda, or the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (local time of the relevant share registrar) on 8 July 2019.
 - (b) For the purpose of determining shareholders who are qualified for the final dividend, the register of members of the Company will be closed on 18 July 2019, during which no transfer of shares will be effected. In order to qualify for the final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the principal share registrar of the Company, MUFG Fund Services (Bermuda) Limited of The Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda, or the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (local time of the relevant share registrar) on 17 July 2019.
6. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 12:00 noon on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the the Company's website at www.vtech.com and the website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and place of the adjourned meeting.