
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or 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 bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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

PRECAUTIONARY MEASURES FOR THE 2020 ANNUAL GENERAL MEETING

In view of the Prevention and Control of Disease (Prohibition on Group Gathering) (Amendment) (No. 2) Regulation 2020 that came into operation on 8 May 2020 (the “Regulation”), group gatherings of more than 50 persons for shareholders’ meetings are required to be accommodated in separate rooms or partitioned areas of not more than 50 persons each. To comply with the Regulation and to safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the 2020 Annual General Meeting of the Company (“2020 AGM”):

- (1) Compulsory temperature screening/checks
- (2) Submission of Health Declaration Form
- (3) Wearing of surgical face mask
- (4) Assigning a designated seat
- (5) No provision of gifts, refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) to (4) above or cooperate with hotel or Company staff may be denied entry to the 2020 AGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, Shareholders are strongly encouraged to cast their votes by submitting a form of proxy appointing the Chairman of the 2020 AGM as their proxy, and to return their form of proxy by the time specified below, instead of attending the 2020 AGM in person. The Company would like to further remind the shareholders that they should carefully consider the risks of attending the 2020 AGM, taking into account of their own personal circumstances.

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, 10 July 2020 at 3:30 p.m. (Hong Kong time) is set out on pages 15 to 18 of this Circular.

Whether or not you are able to attend the 2020 AGM, you are requested to complete and return the enclosed form of proxy 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 2020 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 2020 AGM or any adjournment thereof if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

8 June 2020

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PRECAUTIONARY MEASURES FOR THE 2020 ANNUAL GENERAL MEETING

With the outbreak and spreading of the COVID-19 pandemic and the heightened requirements for the prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the 2020 Annual General Meeting (“2020 AGM”) in person, the Company will implement the following precautionary measures at the 2020 AGM.

Voting by proxy in advance of the 2020 AGM: The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of Shareholders, the Company reiterates that Shareholders are strongly encouraged to exercise their right to vote at the 2020 AGM by appointing the Chairman of the 2020 AGM as their proxy instead of attending the 2020 AGM in person. **Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the 2020 AGM or any adjournment thereof should they subsequently so wish.**

The deadline to submit completed form of proxy is Wednesday, 8 July 2020 at 3:30 p.m. Completed form of proxy must be returned to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Shareholders are reminded that physical attendance is not necessary for the purpose of exercising Shareholders’ rights. They are strongly encouraged to cast their votes by submitting a form of proxy appointing the Chairman of the 2020 AGM as their proxy. The Company would like to further remind the shareholders that they should carefully consider the risks of attending the 2020 AGM, taking into account of their own personal circumstances.

In view of the Prevention and Control of Disease (Prohibition on Group Gathering) (Amendment) (No. 2) Regulation 2020 that came into operation on 8 May 2020 (the “Regulation”), group gatherings of more than 50 persons for shareholders’ meetings are required to be accommodated in separate rooms or partitioned areas of not more than 50 persons each. To comply with the Regulation and to safeguard the health and safety of Shareholders who might be attending the 2020 AGM in person, the Company will also implement the following measures at the 2020 AGM:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the entrance of Jade & Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (“AGM venue”). Any person with a body temperature of over 37.3 degrees Celsius or is exhibiting flu-like symptoms may be denied entry into the AGM venue and be requested to leave the AGM venue. Please note that any person who has travelled outside Hong Kong within 14 days immediately before the 2020 AGM (“recent travel history”), or is subject to health quarantine prescribed by the HKSAR Government or self-quarantine in relation to COVID-19, or has close contact with any person under quarantine or with recent travel history will not be admitted to the AGM venue.
- (2) Every attendee will be required to submit a completed Health Declaration Form prior to entry into the AGM venue. Please note that the Health Declaration Form will be available for your completion and signing at the entrance of the AGM venue.

PRECAUTIONARY MEASURES FOR THE 2020 ANNUAL GENERAL MEETING

- (3) Every attendee will be required to wear a surgical face mask throughout the 2020 AGM and sit at a distance from other attendees. Please note that no masks will be provided at the AGM venue and the attendees should wear their own masks.
- (4) Every attendee will be assigned a designated seat at the time of registration to ensure appropriate social distancing. The number of seats in the Jade & Lotus Room or partitioned room(s) on Level 6 of Marco Polo Hong Kong Hotel will be reduced to not more than 50 persons in each room to ensure social distancing. In view of this, there is a possibility that some Shareholders will be directed to be seated at another partitioned room(s) situated on Level 6 of Marco Polo Hong Kong Hotel with video and audio link facilities. In order to comply with the Regulation, the Company may limit the number of attendees at the 2020 AGM as may be necessary to avoid over-crowding and possibly not all attendees could be accommodated.
- (5) Any attendee who declines any of the abovementioned measures or cooperate with hotel or Company staff will be refused admission to the AGM venue.
- (6) **No gifts, refreshments or drinks will be provided to attendees at the 2020 AGM.**

Please note that voting boxes will be arranged outside and inside the AGM venue. Shareholders are encouraged to place their completed voting papers into the voting boxes.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue so as to ensure the health and safety of the attendees at the 2020 AGM.

Appointment of proxy by Non-registered Shareholders: Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited are strongly encouraged to consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

If Shareholders have any questions relating to the 2020 AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990
Email: hkinfo@computershare.com.hk

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may implement additional measures which will be announced closer to the date of the 2020 AGM. Shareholders should check the Company's website at www.vtech.com or the website of the Stock Exchange at www.hkexnews.hk for further announcements and updates on the 2020 AGM arrangements.

DEFINITIONS

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

“2019 AGM”	the annual general meeting of the Company for the year ended 31 March 2019 held on 12 July 2019;
“2020 AGM”	the annual general meeting (or any adjournment or postponement thereof) of the Company for the year ended 31 March 2020 to be held on Friday, 10 July 2020 at 3:30 p.m. (Hong Kong time);
“2020 Annual Report”	annual report of the Company for the year ended 31 March 2020;
“AGM Notice”	the notice convening the 2020 AGM, which is set out on pages 15 to 18 of this Circular;
“Board”	the board of Directors of the Company;
“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) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	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 2020, 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;
“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);
“Shareholder(s)”	holder(s) of Share(s);
“Share Purchase Scheme”	the share purchase scheme adopted by the Company on 30 March 2011 as amended from time to time;
“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

Non-executive Director:

William WONG Yee Lai

Principal Office in Hong Kong:

23rd Floor, Tai Ping Industrial Centre

Block 1, 57 Ting Kok Road

Tai Po, New Territories

Hong Kong

Independent Non-executive Directors:

William FUNG Kwok Lun

KO Ping Keung

Patrick WANG Shui Chung

WONG Kai Man

8 June 2020

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 2020 AGM.

2. GENERAL MANDATE TO REPURCHASE SHARES

The previous general mandate granted to the Directors at the 2019 AGM to exercise the powers of the Company to repurchase Shares will expire at the 2020 AGM.

At the 2020 AGM, Resolution 5 set out in the AGM Notice will be proposed at the 2020 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

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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 2021, 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 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 2020 AGM in relation to the Repurchase Mandate is set out in Resolution 5 on pages 15 to 16 in the AGM Notice of this Circular.

3. GENERAL MANDATE TO ISSUE NEW SHARES

The previous general mandate granted to the Directors at the 2019 AGM to exercise the powers of the Company to allot, issue and deal with Shares will expire at the 2020 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 new 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 251,779,133 Shares. On the basis that no further new Shares will be issued or repurchased prior to the 2020 AGM, the Company would be allowed to allot, issue and deal with a maximum of 25,177,913 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 2021, 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 2020 AGM in relation to the Issue Mandate is set out in Resolution 6 on pages 16 to 18 in the AGM Notice of this Circular.

4. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 112(A) of the Bye-laws of the Company, Dr. PANG King Fai and Mr. WONG Kai Man shall retire as Directors by rotation at the 2020 AGM and, being eligible, shall offer themselves for re-election as Executive Directors and Independent Non-executive Director respectively. In accordance with Bye-law 94 of the Bye-laws of the Company, Mr. William WONG Yee Lai shall retire as new Director appointed during the year and shall be eligible for re-election at the 2020 AGM as Non-executive Director.

In March 2020, the Nomination Committee reviewed the structure, size and diversity of the Board and recommended Dr. PANG King Fai, Mr. William WONG Yee Lai and Mr. WONG Kai Man to the Board for it to recommend to the Shareholders for re-election at the 2020 AGM. Mr. WONG Kai Man, who is a member of the Nomination Committee, abstained from voting at the meeting of Nomination Committee when his own nomination being considered. The recommendations were made in accordance with the Nomination Policy and

LETTER FROM THE BOARD

the Board Diversity Policy of the Company. These include, among others, the proposed Director's knowledge and experience, reputation for integrity, time commitment to the Company's business, and the diversity aspects (including but not limited to gender, age, cultural and educational background, skills, knowledge, industry and professional experience, independence and length of service), with due regard for the benefit of diversity, as set out in the Board Diversity Policy. The Nomination Policy and the Board Diversity Policy of the Company are set out in the "Corporate Governance Report" of the 2020 Annual Report.

The Nomination Committee and the Board had also taken into account Mr. WONG Kai Man's strong accounting, financial and tax background that help the Board and the Company in areas such as financial review, compliance and internal control and his firm commitment to his independent role. The Nomination Committee and the Board were satisfied with the independence of Mr. WONG Kai Man with reference to the criteria set out in Rule 3.13 of the Listing Rules. Mr. WONG Kai Man has given an annual confirmation of his independence to the Company. Mr. WONG Kai Man does not hold any cross-directorship or have any significant links with other Directors through involvement in other companies or bodies that could give rise to conflicts of interest in his role as an Independent Non-executive Director of the Company.

The Nomination Committee was satisfied that Mr. WONG Kai Man has the required character, integrity and experience to fulfill the role of an Independent Non-executive Director. Mr. WONG Kai Man 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. In addition, Mr. WONG Kai Man currently holds two listed company directorships including the Company and confirms that he will continue to demonstrate his commitment to his role.

The Board, based on the recommendation of the Nomination Committee, believes that Mr. WONG Kai Man continues to be independent and provides invaluable and independent advice to the Board through his extensive knowledge and experience that enhance the diversified representation of the Board.

All the Directors offering themselves for re-election have provided valuable advice and contributed their respective experience and expertise to the Board and the Company. In view of their invaluable experience and their commitment to their roles, the Board believes that their re-elections are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends them to stand for re-election at the 2020 AGM. Further information about the Board's composition, Board's skills and experience, and the attendance record of the retiring Directors are disclosed in the "Board Composition", "Board Skills and Experience" and "Board, Board Committees and Shareholders' Meetings" under the "Corporate Governance Report" of the 2020 Annual Report.

Details of the each of the retiring Directors proposed for re-election at the 2020 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 2020 AGM.

The results of the poll will be published on the websites of the Stock Exchange and the Company following the 2020 AGM.

LETTER FROM THE BOARD

6. NOTICE OF 2020 AGM

The AGM Notice is set out on pages 15 to 18 of this Circular.

A form of proxy is enclosed with this Circular for use at the 2020 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 2020 AGM, you are requested to complete and return the enclosed form of proxy to the Company's branch share 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 2020 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 2020 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 2020 AGM.

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, 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 2020 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 2020 AGM. As at the Latest Practicable Date, there were in issue an aggregate of 251,779,133 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 2020 AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 25,177,913 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 Group as at 31 March 2020 (being the date to which the latest published audited consolidated financial statements of the Group have been made up) and in particular the working capital position of the Group 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 Group 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 Group 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. Repurchases 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 Mr. William WONG Yee Lai has a deemed interest in 74,101,153 Shares by virtue of him being one of the discretionary beneficiaries) and accordingly is deemed interested under the SFO) was 34.84% 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, 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 38.71% 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 HK\$	Lowest HK\$
2019		
June	71.80	63.80
July	73.00	68.10
August	69.90	61.45
September	72.00	61.00
October	71.50	63.90
November	79.80	68.50
December	79.95	72.15
2020		
January	80.85	70.45
February	73.60	67.30
March	71.10	53.60
April	61.00	54.65
May	58.50	45.10
June, up to the Latest Practicable Date	49.45	46.60

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 2020 AGM:

PANG King Fai (Age 64)

Director since	:	11 April 2007
Positions held with the Group	:	Executive Director and President of the Group Risk Management and Sustainability Committee (Member)
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	327,300 Shares (long position)
Emoluments received for the year ended 31 March 2020	:	US\$1.7 million* (including the current basic director's fee of US\$30,000 per annum)

Dr. PANG King Fai holds BSc (Eng) from The University of Hong Kong, MPhil from Imperial College of Science, Technology and Medicine, London and PhD (EE) from Stanford University. He is a Fellow of the Institution of Engineering and Technology. Dr. PANG King Fai joined the Group in 2004 as Group Chief Technology Officer, was appointed as an Executive Director in 2007 and was promoted to the position of President of the Group in 2009. He has over 20 years of experience in design engineering for consumer electronics products. Save as disclosed above, Dr. PANG King Fai 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. PANG King Fai holds directorships in certain subsidiaries of the Company. Dr. PANG King Fai has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. PANG King Fai has not entered into any service contract with the Company. Dr. PANG King Fai 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. PANG King Fai 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 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.

* *Details of Dr. PANG King Fai's emoluments for the year ended 31 March 2020 are set out in note 3 to the financial statements in the 2020 Annual Report.*

William WONG Yee Lai (Age 40)

Director since	:	12 November 2019
Positions held with the Group	:	Non-executive Director
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	74,101,153 Shares (long position) (deemed interest in 74,101,153 Shares by virtue of him being one of the discretionary beneficiaries of The Allan Wong 2011 Trust. The details of The Allan Wong 2011 Trust are set out in the 2020 Annual Report.)
Emoluments received for the year ended 31 March 2020	:	US\$11,589 (Current basic director's fee for the period commencing from 12 November 2019 to 31 March 2020 (both days inclusive))

Mr. William WONG Yee Lai attended Southern Methodist University in Computer Science. Mr. William WONG Yee Lai is the founder and the CEO of Playality Limited (“Playality”). Playality was a leading Hong Kong online and social gaming company. Mr. William WONG Yee Lai started such business in December 2011 and within a year, he (who was also the architect behind Playality’s data analytics engine) led the company to much success, with its Grand Poker game being popular in the poker genre on a global social media platform. Previously, Mr. William WONG Yee Lai was the founder and the CEO of Ality Limited, a company which developed the internet connected digital photo frame with instant messenger client and web content streaming and its products were sold at well-known retail chain stores.

Mr. William WONG Yee Lai is the son of Dr. Allan WONG Chi Yun, the Chairman, Executive Director and Group Chief Executive Officer of the Company. Save as disclosed above, Mr. William WONG Yee Lai has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, Mr. William WONG Yee Lai 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 and Mr. William WONG Yee Lai does not hold other positions in the Group.

Mr. William WONG Yee Lai has not entered into any service contract with the Company. Mr. William WONG Yee Lai 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. William WONG Yee Lai 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 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.

WONG Kai Man, BBS, JP (Age 69)

Director since	:	19 September 2012
Positions held with the Group	:	Independent Non-executive Director Audit Committee (Chairman) Nomination Committee (Member) Remuneration Committee (Member) Risk Management and Sustainability Committee (Member)
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	Nil
Emoluments received for the year ended 31 March 2020	:	US\$30,000 (Current basic director's fee per annum) US\$5,000 (Current additional fee as Chairman of the Audit Committee per annum) US\$2,000 (Current additional fee as Member of the Nomination Committee per annum) US\$2,000 (Current additional fee as Member of the Remuneration Committee per annum)

Mr. WONG Kai Man holds a Bachelor of Science degree in Physics from The University of Hong Kong and an MBA degree from The Chinese University of Hong Kong. He is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. WONG Kai Man is a retired audit partner of PricewaterhouseCoopers with 32 years of professional accounting experience. He was a member of the Growth Enterprise Market Listing Committee of The Stock Exchange of Hong Kong Limited (1999–2003). He was a non-executive director of the Securities and Futures Commission (2009–2015), an independent non-executive director of China Construction Bank Corporation (2007–2013), Shangri-la Asia Limited (2006–2015) and Great Wall Pan Asia Holdings Limited (formerly known as Armada Holdings Limited and SCMP Group Limited) (2007–2016). He was a court member (2010–2017) and council member (2011–2017) of The University of Hong Kong, an honorary associate professor of the School of Business of The University of Hong Kong (2005–2018). He was a court member of the City University of Hong Kong (2016–2018) and a member of the Financial Reporting Council (December 2014 – September 2019). He was appointed as a non-executive director of the Financial Reporting Council for one year from 1 October 2019. He is currently an independent non-executive director of SUNeVision Holdings Limited. Mr. WONG Kai Man also serves on the boards of a number of non-governmental organisations. Save as disclosed above, Mr. WONG Kai Man 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. WONG Kai Man does not hold other positions in the Group. Mr. WONG Kai Man has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. WONG Kai Man has not entered into any service contract with the Company. Mr. WONG Kai Man 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. WONG Kai Man 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 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 (“2020 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, 10 July 2020 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 the Auditor for the year ended 31 March 2020.
2. To consider and declare a final dividend in respect of the year ended 31 March 2020.
3.
 - (a) To re-elect Dr. PANG King Fai as Executive Director;
 - (b) To re-elect Mr. William WONG Yee Lai as Non-executive Director;
 - (c) To re-elect Mr. WONG Kai Man as Independent Non-executive 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 2021, 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;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the shares (equivalent to a maximum of 25,177,913 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;
- (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 in 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

NOTICE OF ANNUAL GENERAL MEETING

- (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, 8 June 2020

Notes:

1. At the 2020 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 2020 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 branch share 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 2020 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 2020 AGM, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto. However, if more than one of such joint holders are present at the 2020 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 2020 AGM, the register of members of the Company will be closed from 7 July 2020 to 10 July 2020 (both days inclusive), during which no transfer of shares will be effected. In order to be entitled to attend and vote at the 2020 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 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, 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 6 July 2020.
 - (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 16 July 2020, 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 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, 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 15 July 2020.
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 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.
7. Shareholders are strongly encouraged to note the COVID-19 precautionary measures and special arrangements to be implemented at the 2020 AGM which are set out in the cover page and the section headed under "Precautionary Measures for the 2020 AGM" in the Company's circular dated 8 June 2020 and that NO gifts, refreshments or drinks will be provided. Shareholders are strongly encouraged to appoint the Chairman of the 2020 AGM as their proxy and submit their form of proxy as early as possible.