
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 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, PROPOSED REVISION OF FEES TO DIRECTORS, PROPOSAL FOR ADOPTION OF THE 2021 SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE 2021 ANNUAL GENERAL MEETING

To ensure 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 2021 Annual General Meeting of the Company ("2021 AGM"):

- (1) Compulsory temperature screening/checks
- (2) Submission of Health Declaration Form
- (3) Mandatory wearing of surgical face mask
- (4) Maintaining an appropriate social distancing between seats
- (5) No provision of gifts, refreshments or drinks

Attendees who do not comply with the precautionary measures will be denied entry to the 2021 AGM venue, at the absolute discretion of the Company as permitted by law.

Shareholders are strongly encouraged to exercise their rights and indicate how they would like the proxy to vote on their behalves by submitting a form of proxy to appoint the Chairman of the 2021 AGM as their proxy for voting, and to return their form of proxy by the time specified below, instead of attending the 2021 AGM in person.

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 Tuesday, 13 July 2021 at 3:30 p.m. (Hong Kong time) is set out on pages 28 to 32 of this Circular.

Whether or not you are able to attend the 2021 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 2021 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 2021 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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PRECAUTIONARY MEASURES FOR THE 2021 ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders who might be attending the 2021 Annual General Meeting (“2021 AGM”) in person, the Company will implement the following precautionary measures at the 2021 AGM.

Voting by proxy in advance of the 2021 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 2021 AGM by appointing the Chairman of the 2021 AGM as their proxy instead of attending the 2021 AGM in person. **Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the 2021 AGM or any adjournment thereof should they subsequently so wish.**

The deadline to submit completed form of proxy is Sunday, 11 July 2021 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 exercise their rights and indicate how they would like the proxy to vote on their behalves by submitting a form of proxy to appoint the Chairman of the 2021 AGM as their proxy for voting. The Company would like to further remind the shareholders that they should carefully consider the risks of attending the 2021 AGM, taking into account of their own personal circumstances.

To comply with the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) (the “Regulation”) and to safeguard the health and safety of Shareholders who might be attending the 2021 AGM in person, the Company will also implement the following measures at the 2021 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 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 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.
- (3) Every attendee will be required to wear a surgical face mask throughout the 2021 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.

PRECAUTIONARY MEASURES FOR THE 2021 ANNUAL GENERAL MEETING

- (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 limited 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 2021 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 2021 AGM.
- (7) Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the HKSAR Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

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 2021 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 2021 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
Enquiries: www.computershare.com/hk/en/online_feedback

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 2021 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 2021 AGM arrangements.

DEFINITIONS

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

“2020 AGM”	the annual general meeting of the Company for the year ended 31 March 2020 held on 10 July 2020;
“2021 AGM”	the annual general meeting (or any adjournment or postponement thereof) of the Company for the year ended 31 March 2021 to be held on Tuesday, 13 July 2021 at 3:30 p.m. (Hong Kong time);
“2021 Annual Report”	annual report of the Company for the year ended 31 March 2021;
“2021 Share Option Scheme”	the new share option scheme proposed to be approved by the Shareholders at the 2021 AGM; a summary of the principal terms of the new option scheme is set out in Appendix III to this Circular;
“Adoption Date”	13 July 2021, being the proposed adoption date of the 2021 Share Option Scheme;
“AGM Notice”	the notice convening the 2021 AGM, which is set out on pages 28 to 32 of this Circular;
“associate(s)”	has the meaning given to that term in the Listing Rules;
“Audit Committee”	the audit committee of the Company;
“auditors”	the auditors for the time being and from time to time of the Company;
“Board”	the board of Directors or, with respect to the 2021 Share Option Scheme, any committee from time to time established by the board of Directors for the purpose of administering the 2021 Share Option Scheme or the Remuneration Committee, as any of them may have taken action or made decision or determination at any time in relation to the 2021 Share Option Scheme;
“business day”	any day (other than a Saturday and a Sunday) on which the Stock Exchange is open for the business of trading in securities;
“Cessation Date”	has the meaning given to that term in paragraph 5(b) of Appendix III to this circular;
“chief executive”	has the meaning given to that term in the Listing Rules;
“Circular”	the Circular to the Shareholders dated 8 June 2021;
“close associate(s)”	has the meaning given to that term in the Listing Rules;
“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;

DEFINITIONS

“connected person(s)”	has the meaning given to that term in the Listing Rules;
“core connected person(s)”	has the meaning given to that term in the Listing Rules;
“Date of Grant”	in respect of an Option, subject to the terms of the 2021 Share Option Scheme, the date on which the Board resolves to make an offer of that Option to the Participant, which date must be a business day;
“Director(s)”	the director(s) of the Company;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 22 July 2011;
“Grantee”	any Participant who accepts an offer of Option in accordance with the terms of the 2021 Share Option Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person;
“Group”	the Company and its subsidiaries from time to time;
“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 2021, 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;
“Nomination Committee”	the nomination committee of the Company;
“Offer Notice”	has the meaning given to that term in paragraph 5(d) of Appendix III to this Circular;
“Option”	a right granted for the subscription of Shares pursuant to the 2021 Share Option Scheme;
“Option Period”	has the meaning given to that term in paragraph 5(a) of Appendix III to this Circular;

DEFINITIONS

“Participant(s)”	the employees and officers of any member (from time to time) of the Group (including, without limitation, directors, officers, vice presidents, senior managers, managers, and other full-time employees of any member of the Group as determined by the Board from time to time);
“Remuneration Committee”	the committee appointed by the Board to determine matters relating to, inter alia, the remuneration of the directors and senior management of the members of the Group;
“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;
“Scheme Limit”	has the meaning given to that term in paragraph 3 of Appendix III to this Circular;
“Scheme Mandate Limit”	has the meaning given to that term in paragraph 3 of Appendix III to this Circular;
“Scheme Notice”	has the meaning given to that term in paragraph 5(e) of Appendix III to 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 or, if there has been any subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the ordinary share capital of the Company resulting from such any sub-division, reduction, consolidation, reclassification or reconstruction from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the 2021 Share Option Scheme;
“substantial shareholder”	has the meaning given to that term in the Listing Rules;
“US\$”	United States of America dollars, the lawful currency of the United States of America; and
“%”	per cent.

LETTER FROM THE BOARD



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 2021

To the Shareholders,

**GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED REVISION OF FEES TO DIRECTORS,
PROPOSAL FOR ADOPTION OF THE 2021 SHARE OPTION SCHEME AND
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
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; (iii) revise the fees to Directors; (iv) adopt the 2021 Share Option Scheme and terminate the Existing Share Option Scheme and to provide you with information in connection with such proposals. Your approval on such proposals will be sought at the 2021 AGM.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO REPURCHASE SHARES

The previous general mandate granted to the Directors at the 2020 AGM to exercise the powers of the Company to repurchase Shares will expire at the 2021 AGM.

At the 2021 AGM, Resolution 5 set out in the AGM Notice will be proposed at the 2021 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 2022, 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 2021 AGM in relation to the Repurchase Mandate is set out in Resolution 5 on pages 28 to 29 in the AGM Notice of this Circular.

3. GENERAL MANDATE TO ISSUE NEW SHARES

The previous general mandate granted to the Directors at the 2020 AGM to exercise the powers of the Company to allot, issue and deal with Shares will expire at the 2021 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 252,129,133 Shares. On the basis that no further new Shares will be issued or repurchased prior to the 2021 AGM, the Company would be allowed to allot, issue and deal with a maximum of 25,212,913 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 2022, or (ii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

The full text of the ordinary resolution to be proposed at the 2021 AGM in relation to the Issue Mandate is set out in Resolution 6 on pages 29 to 30 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, Mr. Andy LEUNG Hon Kwong, Dr. William FUNG Kwok Lun and Professor KO Ping Keung shall retire from the Board as Directors by rotation at the 2021 AGM and, being eligible, shall offer themselves for re-election. Dr. William FUNG Kwok Lun and Professor KO Ping Keung shall seek for re-election as independent non-executive Directors.

In March 2021, having reviewed the structure, size and diversity of the Board, the Nomination Committee recommended Mr. Andy LEUNG Hon Kwong, Dr. William FUNG Kwok Lun and Professor KO Ping Keung to the Board for the Board to recommend to the Shareholders for the re-election of the aforementioned Directors at the 2021 AGM. Dr. William FUNG Kwok Lun and Professor KO Ping Keung, who are the chairman and member of the Nomination Committee, respectively, abstained from voting at the meeting of Nomination Committee when their own nomination being considered. The recommendations were made in accordance with the Nomination Policy and 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 of the Board, 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 2021 Annual Report.

The Nomination Committee and the Board had also taken into account the respective contributions to the Board of the two independent non-executive Directors and their firm commitments to their independent roles. Dr. William FUNG Kwok Lun has diversified industry experience, brings a wide range of skills and experience to the Group and provides valuable insight and advice to the Board and the Company in particular on the areas of logistics and supply chain operations and dealings with global markets business. Professor KO Ping Keung provides valuable insight and hand-on experience in technology trends, especially in China. Professor KO Ping Keung also has vast knowledge and experience in wide spectrum of technologies, especially in areas such as advanced integrated circuits and information technology. Professor KO Ping Keung's connections with advanced technology providers and start-up companies of all sizes, especially in China, will continue to provide great benefit to the Company. The wide breadth of knowledge and diversity of their experiences make each of the retiring independent non-executive Directors invaluable members of, and active contributors, to the Board.

LETTER FROM THE BOARD

The Nomination Committee and the Board were satisfied with the independence of Dr. William FUNG Kwok Lun and Professor KO Ping Keung with reference to the criteria set out in Rule 3.13 of the Listing Rules. Each of Dr. William FUNG Kwok Lun and Professor KO Ping Keung has given an annual confirmation of his independence to the Company. Moreover, they do 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 their roles as independent non-executive Directors and they are not involved in the daily management of the Company nor in any relationships or circumstances which would interfere with the exercise of their independent judgement.

The Nomination Committee was satisfied that each of Dr. William FUNG Kwok Lun and Professor KO Ping Keung has the required character, integrity and experience to fulfill the role of an independent non-executive Director. Notwithstanding that Dr. William FUNG Kwok Lun 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 Dr. William FUNG Kwok Lun has been providing objective views and independent opinions to the Company over the years. In addition, Dr. William FUNG Kwok Lun and Professor KO Ping Keung have shown devotion and commitment to the Board that they are able to devote sufficient time and attention to the Company's affairs and confirm that they will continue to demonstrate their commitment to their roles.

The Board, based on the recommendation of the Nomination Committee, believes that each of Dr. William FUNG Kwok Lun and Professor KO Ping Keung 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 2021 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 2021 Annual Report.

Details of each of the retiring Directors proposed for re-election at the 2021 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.

LETTER FROM THE BOARD

5. PROPOSED REVISION OF FEES TO DIRECTORS

In relation to Resolution 3(d) as set out in the AGM Notice regarding the fixing of the Directors' fees (including the additional fees payable to the chairman and members of the Audit Committee, the Nomination Committee and the Remuneration Committee) for the year ending 31 March 2022, a review on the Directors' fees was conducted. Taking into account that (i) the basic fee to each Director has remained unchanged since the year ended 31 March 2011 and the additional fees to the Directors who serve on various Board committees have remained unchanged since the year ended 31 March 2016, and (ii) the Directors have spent considerable amount of time and effort to carry out their duties as members of the Board and various Board committees, the review on the adequacy of Directors' fees was conducted with reference to the average annual remuneration of the directors of similar listed companies in Hong Kong as well as the other major manufacturing companies. After such review, the Remuneration Committee, comprising Dr. Patrick WANG Shui Chung (Chairman), Dr. William FUNG Kwok Lun, Professor KO Ping Keung and Mr. WONG Kai Man, has recommended to the Board on the proposed revision of the basic fee to each Director and the relevant additional fees to the Directors who would serve on various Board committees per annum for the year ending 31 March 2022 (pro-rata to their length of service during the year) until the Company in general meeting otherwise determines. The Board has endorsed the proposed revision of fees per annum to the Directors as recommended by the Remuneration Committee. The current and proposed fees to the Directors for their service on the Board and, where applicable, on the relevant Board committees are set out below:

	Current fee per annum for the year ended 31 March 2021 US\$	Proposed fee per annum for the year ending 31 March 2022 US\$
Basic fee to each Director	30,000	35,000
Additional fees to:		
<i>Audit Committee</i>		
Chairman	5,000	10,000
Member (each)	3,000	5,000
<i>Nomination Committee</i>		
Chairman	3,000	5,000
Member (each)	2,000	3,000
<i>Remuneration Committee</i>		
Chairman	3,000	5,000
Member (each)	2,000	3,000

The proposed Directors' fees (including the additional fees payable to the chairman and each member of the Audit Committee, the Nomination Committee and the Remuneration Committee, respectively) for the year ending 31 March 2022 as set out above will be put forward at the 2021 AGM for Shareholders' approval.

LETTER FROM THE BOARD

6. PROPOSAL FOR ADOPTION OF THE 2021 SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME

Considering that the Existing Share Option Scheme will expire on 21 July 2021, the Board proposed to terminate the Existing Share Option Scheme and to adopt the 2021 Share Option Scheme.

According to the terms of the Existing Share Option Scheme, the Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Existing Share Option Scheme, in which event no further options will be offered but in all other respects the provisions of the same shall remain in force and the options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.

As at the Latest Practicable Date, under the Existing Share Option Scheme, no options had been granted, exercised, lapsed or cancelled. In the event that any options will be granted pursuant to the Existing Share Option Scheme after the Latest Practicable Date, such options shall remain valid and exercisable in accordance with the terms of the Existing Share Option Scheme.

A summary of the principal terms of the 2021 Share Option Scheme is set out in Appendix III to this Circular.

The purposes of the 2021 Share Option Scheme are (i) to attract potential employees; (ii) motivate and retain the Participants to support the Group's long term development; and (iii) to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants for their contributions and/or potential contributions to the Group.

The 2021 Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the 2021 Share Option Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an Option. The basis for determination of the Subscription Price is specified in the rules of the 2021 Share Option Scheme. The Board believes that this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help achieve the purposes of the 2021 Share Option Scheme, which are to motivate and retain the Participants, to provide incentives and rewards to the Participants for their contribution to the Group, and to attract potential employees.

The 2021 Share Option Scheme is conditional on:

- (a) the passing of an ordinary resolution approving, *inter alia*, the adoption of the 2021 Share Option Scheme by the Shareholders and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the 2021 Share Option Scheme; and

LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the 2021 Share Option Scheme.

If the above condition (b) is not satisfied on or before the date following six months after the Adoption Date (or such later date as the Board may decide), the 2021 Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the 2021 Share Option Scheme. As at the Latest Practicable Date, no Option has been granted or agreed to be granted under the 2021 Share Option Scheme. For the avoidance of doubt, the termination of the Existing Share Option Scheme is not a condition of the adoption of the 2021 Share Option Scheme.

The Directors believe that any calculation of the fair value of the Options as at the Latest Practicable Date before the Options are actually granted would not be meaningful and would be misleading to Shareholders, because any valuation of the fair value of the Options would have to be based on the circumstances as at the Latest Practicable Date, but Options would not be granted until the 2021 Share Option Scheme is approved i.e. after the Latest Practicable Date. Given also the fact that there are various factors relevant to each individual grant (including vesting periods), such valuation figure cannot be relied upon as being an accurate measure of the fair value of all Options that may, in the future, be granted.

However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations and cost of Options granted during any financial period based on the Black-Scholes option pricing model, the binomial option pricing model or a comparable based on generally accepted methodology will be provided in the Company's annual report and interim report, in accordance with the generally accepted accounting principles in Hong Kong.

As at the Latest Practicable Date, the Company did not intend to appoint a trustee under the 2021 Share Option Scheme. None of the Directors is a trustee of the 2021 Share Option Scheme nor has a direct or indirect interest in the trustees of the 2021 Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the 2021 Share Option Scheme.

The full terms of the 2021 Share Option Scheme can be inspected at the principal office of the Company at 23rd Floor, Tai Ping Industrial Centre, Block 1, 57 Ting Kok Road, Tai Po, New Territories, Hong Kong from the date of this Circular up to and including the date of the 2021 AGM and at the 2021 AGM.

7. 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 2021 AGM.

The results of the poll will be published on the websites of the Stock Exchange and the Company following the 2021 AGM.

LETTER FROM THE BOARD

8. NOTICE OF 2021 AGM

The AGM Notice is set out on pages 28 to 32 of this Circular.

A form of proxy is enclosed with this Circular for use at the 2021 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 2021 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 2021 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 2021 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 2021 AGM.

9. 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.

10. RECOMMENDATIONS

The Directors consider that the Repurchase Mandate, the Issue Mandate, the re-election of Directors, the proposed revision of fees to Directors, the adoption of the 2021 Share Option Scheme and termination of the Existing Share Option Scheme 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 2021 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 2021 AGM. As at the Latest Practicable Date, there were in issue an aggregate of 252,129,133 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 2021 AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 25,212,913 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 2021 (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 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 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 his interest in 13,623,076 Shares as beneficial owner, and the 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) which, accordingly, is deemed interested under the SFO) was 34.79% 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 38.66% 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>
2020		
June	52.00	44.55
July	48.60	41.10
August	47.50	41.55
September	49.95	42.90
October	54.50	48.10
November	65.95	50.70
December	62.80	58.00
2021		
January	65.00	59.95
February	68.80	62.00
March	72.90	63.40
April	74.00	69.50
May	83.00	67.00
June, up to the Latest Practicable Date	81.50	78.50

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 2021 AGM:

Andy LEUNG Hon Kwong (Age 62)

Director since	:	1 January 2009
Positions held with the Group	:	Executive Director and Chief Executive Officer of Contract Manufacturing Services Risk Management and Sustainability Committee (Member)
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	591,000 Shares (long position)
Emoluments received for the year ended 31 March 2021	:	US\$3 million* (including the current basic director's fee of US\$30,000 per annum)

Mr. Andy LEUNG Hon Kwong 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 the China Services Department of the Group. Mr. Andy LEUNG Hon Kwong joined the Group in 1988, left the Group in 1990 and rejoined 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 Company. Mr. Andy LEUNG Hon Kwong has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

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 basic Director's fee of Mr. Andy LEUNG Hon Kwong as an executive Director is US\$30,000 per annum and is subject to the proposed revision as mentioned in the paragraph headed "5. Proposed Revision of Fees to Directors" in the "Letter from the Board" on page 10 of this Circular. In addition to the Director's fee, Mr. Andy LEUNG Hon Kwong is also entitled to salaries, allowances and benefits in kind, based on his other roles and responsibilities within the Group and, discretionary bonus and share-based payment which are to be determined based on, among other things, the performance of the Group. 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 Mr. Andy LEUNG Hon Kwong's emoluments for the year ended 31 March 2021 are set out in note 3 to the consolidated financial statements in 2021 Annual Report.*

William FUNG Kwok Lun, SBS, OBE, JP (Age 72)

Director since	:	28 November 2001
Positions held with the Group	:	Independent Non-executive Director Audit Committee (Member) Nomination Committee (Chairman) Remuneration Committee (Member)
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	1,046,630 Shares (long position)
Emoluments received for the year ended 31 March 2021	:	US\$30,000 (Current basic Director's fee per annum) US\$3,000 (Current additional fee as a member of the Audit Committee per annum) US\$3,000 (Current additional fee as the chairman of the Nomination Committee per annum) US\$2,000 (Current additional fee as a member of the Remuneration Committee per annum)

Dr. William FUNG Kwok Lun holds a Bachelor of Science degree in Engineering from Princeton University and an MBA degree from the Harvard Graduate School of Business. He was awarded the degrees of Doctor of Business Administration, *honoris causa*, by The Hong Kong University of Science and Technology, by The Hong Kong Polytechnic University and by Hong Kong Baptist University and a degree of Doctor of Letters, *honoris causa*, by Wawasan Open University of Malaysia. Dr. William FUNG Kwok Lun is the group deputy chairman of the Fung Group, a Hong Kong based multinational engaged in trading, logistics, distribution and retailing. He is the chairman and a non-executive director of Global Brands Group Holding Limited and Convenience Retail Asia Limited. He is also an independent non-executive director of Sun Hung Kai Properties Limited and The Hongkong and Shanghai Hotels, Limited. Formerly, he was an independent non-executive director of Shui On Land Limited (2006-2019) and the group non-executive chairman of Li & Fung Limited (which was privatised with effect from 26 May 2020) until October 2020. Save as disclosed above, Dr. William FUNG Kwok Lun 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. William FUNG Kwok Lun has held key positions in major trade associations. He is the past chairman of the Hong Kong General Chamber of Commerce (1994-1996), the Hong Kong Committee for the Pacific Economic Cooperation (1993-2002) and the Hong Kong Exporters' Association (1989-1991). He was a Hong Kong Special Administrative Region delegate to the Chinese People's Political Consultative Conference (1998-2003). He was awarded the Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2008.

Dr. William FUNG Kwok Lun does not hold other positions in the Group. Dr. William FUNG Kwok Lun has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. William FUNG Kwok Lun has not entered into any service contract with the Company. Dr. William FUNG Kwok Lun 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. William FUNG Kwok Lun 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 basic Director's fee of Dr. William FUNG Kwok Lun as an independent non-executive Director is US\$30,000 per annum, and the current additional fees as a member of the Audit Committee, the chairman of the Nomination Committee and a member of the Remuneration Committee are in the amount of US\$3,000 per annum, US\$3,000 per annum and US\$2,000 per annum, respectively, and such fees are subject to the proposed revision as mentioned in the paragraph headed "5. Proposed Revision of Fees to Directors" in the "Letter from the Board" on page 10 of this Circular. 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.

KO Ping Keung, JP (Age 70)

Director since	:	30 January 2018
Positions held with the Group	:	Independent Non-executive Director Audit Committee (Member) Nomination Committee (Member) Remuneration 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 2021	:	US\$30,000 (Current basic director's fee per annum) US\$3,000 (Current additional fee as a member of the Audit Committee per annum) US\$2,000 (Current additional fee as a member of the Nomination Committee per annum) US\$2,000 (Current additional fee as a member of the Remuneration Committee per annum)

Professor KO Ping Keung holds a Bachelor of Science (Honours) degree from The University of Hong Kong, a Doctor of Philosophy degree and a Master of Science degree from the University of California at Berkeley. He is an Emeritus Professor of Electronic & Computer Engineering and the former Dean of the School of Engineering of The Hong Kong University of Science and Technology. He was the vice chairman of Electrical Engineering and Computer Science Department of the University of California at Berkeley (1991-1993) and a member of Technical staff, Bell Labs, Holmdel (1982-1984). Professor KO Ping Keung is currently an independent non-executive director of Henderson Investment Limited, Henderson Land Development Company Limited and Q Technology (Group) Company Limited and a director of Beken Corporation, the shares of which are listed on Shanghai Stock Exchange. Save as disclosed above, Professor KO Ping Keung 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.

Professor KO Ping Keung does not hold other positions in the Group. Professor KO Ping Keung has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Professor KO Ping Keung has not entered into any service contract with the Company. Professor KO Ping Keung 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. Professor KO Ping Keung 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 basic Director's fee of Professor KO Ping Keung as an independent non-executive Director is US\$30,000 per annum, and the current additional fees as a member of the Audit Committee, the Nomination Committee and the Remuneration Committee are in the amount of US\$3,000 per annum, US\$2,000 per annum and US\$2,000 per annum, respectively, and such fees are subject to the proposed revision as mentioned in the paragraph headed "5. Proposed Revision of Fees to Directors" in the "Letter from the Board" on page 10 of this Circular. 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.

The following is a summary of the principal terms of the 2021 Share Option Scheme proposed to be approved at the 2021 AGM.

1. The purposes of the 2021 Share Option Scheme are (i) to attract potential employees; (ii) motivate and retain the Participants to support the Group's long term development; and (iii) to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants for their contributions and/or potential contributions to the Group.
2. The Directors may, at their discretion, invite Participants to participate in the 2021 Share Option Scheme. In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate, including but not limited to:
 - (a) the Participant's (i) individual performance, (ii) years of service, and/or (iii) potential and/or actual contribution to the business affairs of and benefits to the Group; and/or
 - (b) whether the Participant is regarded as a valuable human resource of the Group based on his work experience, professional qualifications, industry knowledge or other relevant factors (including but not limited to technical know-how, business and/or market development capability, and market reputation).
3. Initially the maximum number of Shares which may be issued upon exercise of all Options to be granted under the 2021 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (such 10% limit represents 25,212,913 Shares as at the Latest Practicable Date) (the "Scheme Mandate Limit"). Options which have lapsed shall not be counted in calculating the Scheme Mandate Limit.

However (but subject to the Scheme Limit referred to in this paragraph below), the Company may refresh the Scheme Mandate Limit at any time subject to prior approval of the Shareholders in general meeting, provided that each such limit (as refreshed) may not exceed the 10% of the Shares in issue as at the date of the Shareholders' approval. Options previously granted under the 2021 Share Option Scheme and any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options) shall not be counted for the purpose of calculating the limit to be refreshed. The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the 10% limit provided that the Options in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought.

The total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the 2021 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time ("Scheme Limit"). As at the Latest Practicable Date, such 30% represents 75,638,739 Shares. No Options may be granted if such grant will result in the Scheme Limit being exceeded.

4. Unless approved by the Shareholders in the manner set out in this paragraph below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised, cancelled and outstanding Options) under the 2021 Share Option Scheme in any 12-month period must not exceed 1% of the Shares in issue. Any further grant of Options which would result in the number of Shares issued and to be issued as aforesaid exceeding the said 1% limit must be subject to the approval of the Shareholders in general meeting in advance with the relevant Participant and his close associates (or his associates if the Participant is a connected person of the Company) abstaining from voting.

Each grant of Options to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of Options shall be subject to the prior approval by the Shareholders in general meeting. The proposed recipient of the grant of Options, his associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

No offer shall be made and no Option shall be granted to any Participant after inside information has come to the Company's knowledge until (and including) the trading day after the Company has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on (and including) the trading day after the date of the results announcement, no Option shall be granted.

Furthermore, no Offer shall be made and no Option shall be granted to any Participant in circumstances prohibited by the Listing Rules or at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law.

5. (a) The period (“Option Period”) within which the Options must be exercised will be specified by the Company at the time of grant. This period must expire no later than ten (10) years from the relevant Date of Grant (being the date on which the Board resolves to make an offer of Option to the relevant Participant, which date must be a business day).
- (b) In the event a Grantee (being an employee or officer of any member of the Group) ceases to be a Participant for any reason other than (i) his or her death or (ii) on one or more of the grounds of termination of employment or engagement specified in paragraph 12(f) below (and the date on which the Grantee so ceases to be a Participant shall be referred to as the “Cessation Date”), the Option shall lapse on the Cessation Date and not be exercisable unless the Board otherwise determines, in which event the Option shall be exercisable to the extent and within such period as the Board may determine. The Cessation Date for the purposes of this paragraph 5(b) shall be the last actual working day on which the Grantee was physically at work with the Company or the relevant member of the Group, whether salary is paid in lieu of notice or not.
- (c) In the event the Grantee dies before exercising the Option in full and none of the events for termination of employment under paragraph 12(f) below then exists with respect to such Grantee, the personal representative(s) of the Grantee shall be entitled within a period of six (6) months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death.
- (d) If a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 5(e) below) is made to all the holders of Shares (or all such holders other than the offeror, any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof (the “Offer Notice”) to the Grantee and the Grantee may at any time within one (1) month after the date of the Offer Notice exercise the Option to its full extent.
- (e) If a general offer for Shares by way of a scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof (the “Scheme Notice”) to the Grantee and the Grantee may at any time within one (1) month after the date of the Scheme Notice exercise the Option to its full extent.

- (f) In the event a notice is given by the Company to its shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as practicable allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.
- (g) In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 5(e) above, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors to consider such a scheme or arrangement and the Grantee may at any time thereafter but before such time as shall be notified by the Company exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as practicable allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.
- (h) Upon the occurrence of any of the events referred to in paragraphs 5(f) and (g) above, the Company may in its discretion notwithstanding the terms of the relevant Option also give notice to a Grantee that his or her Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company gives such notice that any Option shall be exercised in part only, the balance of the Option shall lapse.
6. At the time of grant of the Options, the Company may specify any minimum period(s) for which an Option must be held before it can be exercised. The 2021 Share Option Scheme does not contain any such minimum period.
7. At the time of the grant of the Options, the Company may specify any performance target(s) which must be achieved before the Options can be exercised. The 2021 Share Option Scheme does not contain any performance targets.
8. An offer of Option shall remain open for acceptance by the Participant to whom such offer is made for a period of thirty (30) days from the date on which the letter containing the offer of Option is issued to the Participant (or such other period of time as the Board may determine and specify in the aforementioned letter), provided that no such offer of Grant shall be open for acceptance after the tenth anniversary of the Adoption Date or after this 2021 Share Option Scheme has been terminated in accordance with the provisions thereof or after the person/entity to whom the offer of Option is made has ceased to be a Participant. An offer of Option shall be deemed to have been accepted by the Grantee and the Option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer of Option duly signed by the Grantee with the number of Shares in respect of which the offer of Option is accepted

clearly stated therein, together with a payment in favour of the Company of HK\$1.00 (or its equivalent) by way of consideration for the grant thereof, is received by the Company.

9. The Subscription Price shall be such price determined by the Board at its absolute discretion and notified to the Participant in the offer of Option and shall be no less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant. The Subscription Price will be established by the Board at the time the Option is offered to the Participant.
10. The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the bye-laws of the Company for the time being and from time to time in force and will rank pari passu with, and shall have the same voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, as attached to, the fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company. Prior to the Grantee being registered on the register of members of the Company, the Grantee shall not have any voting, dividends, transfer and other rights, including those arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.
11. The 2021 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date. No further Options shall be offered or granted under the 2021 Share Option Scheme on or after the date of the tenth anniversary of the adoption of the 2021 Share Option Scheme.
12. An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:
 - (a) the expiry of the Option Period;
 - (b) the date or the expiry of the period for exercising the Option as referred to in paragraphs 5(b), (c) and (d) above (as the case may be);
 - (c) subject to the scheme of arrangement (referred to in paragraph 5(e) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 5(e) above;
 - (d) subject to paragraph 5(f) above, the date of commencement of the winding-up of the Company; and, subject to the compromise or arrangement (referred to in paragraph 5(g) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 5(g) above,
 - (e) the date on which the Grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any other person over or in relation to any Option, in breach of the 2021 Share Option Scheme;
 - (f) the date on which the Grantee (being an employee or officer of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement

on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;

- (g) where the Grantee is an employee or officer of a member of the Group (other than the Company), the date on which such member ceases to be a subsidiary of the Company; and
- (h) unless the Board otherwise determines, and other than in the circumstances referred to in paragraphs 5(b) or 5(c), the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any reason.

Transfer of employment or engagement or relationship from one member of the Group to another member of the Group shall not be considered as a cessation of employment, engagement or relationship.

13. In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable, by way of capitalisation of profits or reserves, rights issue, open offer (if there is a price dilutive element), subdivision or consolidation of shares or reduction of the share capital of the Company, but excluding, for the avoidance of doubt, any alteration in the capital structure of the Company as a result of an issue of shares as consideration in a transaction to which the Company is a party, the auditors of or the financial advisor engaged by the Company for such purpose shall determine what adjustment is required to be made to the subscription price, and/or the number of shares to be issued on exercise of the Options, and/or (if necessary) the method of exercise of the Option (or any combination of the foregoing) provided that any such adjustments give the Participant the same proportion of the equity capital of the Company, provided that no adjustment may be made to the extent that shares would be issued at less than their nominal value.
14. Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the same Grantee provided that such Options fall within the limits specified in paragraph 3 above and are otherwise granted in accordance with the terms of the 2021 Share Option Scheme.
15. The Shares issued on exercise of the Options will on issue be identical to the then existing issued shares of the Company.
16. The Company by ordinary resolution of Shareholders, or the Board, may at any time terminate the operation of the 2021 Share Option Scheme and in such event no further Options will be offered or granted, but in all other respects the 2021 Share Option Scheme shall remain in full force and effect. Any granted but unexercised Options shall continue to be exercisable in accordance with their terms of issue after the termination of the 2021 Share Option Scheme.
17. The Options are not assignable or transferable, except for the transmission of an Option on the death of a Grantee to his personal representative(s) on terms of and as permitted by the 2021 Share Option Scheme.

18. Subject to the terms set out in the paragraph below, the Board may amend any of the provisions of the 2021 Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the 2021 Share Option Scheme, which are not found in the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date).

Those specific provisions of the 2021 Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and no changes to the authority of the Directors or administrators of the 2021 Share Option Scheme in relation to any alteration of the terms therein shall be made, without the prior approval by the Shareholders in general meeting. Any alterations to the terms and conditions of the 2021 Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the 2021 Share Option Scheme. The 2021 Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 303)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “2021 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 Tuesday, 13 July 2021 at 3:30 p.m. (Hong Kong time) for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “Director(s)”) and the auditor of the Company (the “Auditor”) for the year ended 31 March 2021.
2. To consider and declare a final dividend in respect of the year ended 31 March 2021.
3.
 - (a) To re-elect Mr. Andy LEUNG Hon Kwong as an executive Director;
 - (b) To re-elect Dr. William FUNG Kwok Lun as an independent non-executive Director;
 - (c) To re-elect Professor KO Ping Keung as an independent non-executive Director;
 - (d) To fix the Directors’ fees (including the additional fees payable to the chairman and members of the audit committee, the nomination committee and the remuneration committee of the Company) for the year ending 31 March 2022, 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 to 7 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 25,212,913 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 five (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
- (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."

NOTICE OF ANNUAL GENERAL MEETING

7. **“THAT**

- (i) the existing share option scheme of the Company adopted on 22 July 2011 (the “2011 Share Option Scheme”) be terminated (upon which no further options will be offered but in all other respects the provisions of the 2011 Share Option Scheme shall remain in force and the options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2011 Share Option Scheme); and
- (ii) the new share option scheme of the Company (the “2021 Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the 2021 AGM and for the purpose of identification signed by the Chairman, be approved and adopted; and subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the approval for the listing of, and permission to deal in, the shares of the Company (the “Shares”) falling to be issued pursuant to the exercise of any options granted under the 2021 Share Option Scheme, the directors of the Company (or any committee thereof) be authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2021 Share Option Scheme including but without limitation:
 - (a) to administer the 2021 Share Option Scheme;
 - (b) to modify and/or amend the 2021 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2021 Share Option Scheme relating to modification and/or amendment;
 - (c) to allot and issue from time to time such number of Shares as may fall to be issued pursuant to the exercise of the options granted under the 2021 Share Option Scheme, provided always that the total number of Shares subject to the 2021 Share Option Scheme, when aggregated with any Shares subject to any other share option scheme(s) of the Company, shall not exceed 10% of the Shares in issue as at the date of passing this Resolution but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the 2021 Share Option Scheme (such limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid shareholders’ approval) and the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30% of the Shares in issue from time to time (the Company may seek separate approval by shareholders in general meeting for granting options beyond the 10% limit provided that the options in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought);
 - (d) to make application at the appropriate time or times to the Stock Exchange, and other stock exchanges upon which the issued Shares of the Company may for the time being be listed, for listing of and permission to deal in any Shares which may hereafter from time to time fall to be issued pursuant to the exercise of the options granted under the 2021 Share Option Scheme; and

NOTICE OF ANNUAL GENERAL MEETING

- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2021 Share Option Scheme.”

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

Hong Kong, 8 June 2021

Notes:

1. At the 2021 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 2021 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 2021 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 2021 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 2021 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 2021 AGM, the register of members of the Company will be closed from 8 July 2021 to 13 July 2021 (both days inclusive), during which no transfer of shares will be effected. In order to be entitled to attend and vote at the 2021 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 7 July 2021.
 - (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 19 July 2021, 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 16 July 2021.
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 2021 AGM which are set out in the cover page and the section headed under “Precautionary Measures for the 2021 AGM” in the Company’s circular dated 8 June 2021 and that NO gifts, refreshments or drinks will be provided. Shareholders are strongly encouraged to appoint the Chairman of the 2021 AGM as their proxy and submit their form of proxy as early as possible.