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vtech

VTECH HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 303)

Voluntary Announcement

On 31 March 2009, the Company and Aldenham entered into the Lease which constitutes an exempted continuing connected transaction (the "Transaction") of the Company under the Listing Rules and is hereby disclosed for information purpose only.

I. The Transaction

Reference is made to the Previous Leases of the Premises as disclosed in the announcements of the Company dated 11 April 2007, 6 April 2005 and 11 April 2003. As the most recent Previous Lease dated 11 April 2007 expired on 31 March 2009, on 31 March 2009, the Company as tenant entered into the Lease with Aldenham as landlord. The principal terms of the Lease remain the same as those in the Previous Leases and are as follows:

Date	:	31 March 2009
Landlord	:	Aldenham
Tenant	:	The Company
Premises	:	Duplex Flats A and B on the 29th and 30th Floors including the Flat Roof and the Roof on Top thereof and certain related car parking spaces of Hong Villa, 12 Bowen Road, Mid-Levels, Hong Kong
Terms	:	3 years commencing on 1 April 2009 and expiring on 31 March 2012
Rent	:	HK\$250,000 per month (inclusive of rates and management fees) in the aggregate amount of HK\$9,000,000, to be paid monthly in arrears

Aldenham is an indirect wholly-owned subsidiary of a trust in which the family members of Dr. Allan WONG Chi Yun, a director, the chief executive and a substantial shareholder holding directly and indirectly 30.14% of the entire issued share capital of the Company, are the beneficiaries. Aldenham is therefore a connected person of the Company as ascribed by the Listing Rules and the Lease constitutes an exempted continuing connected transaction under the Listing Rules.

The Board (including the independent non-executive directors) are of the view that the Lease was entered into upon normal commercial terms which are fair and reasonable and is in the interest of the Company and its independent shareholders. The rental was determined by reference to a valuation report conducted by an independent qualified surveyor in respect of the Premises in March 2009. The current rental amount is the same as that paid under the Previous Leases.

II. Reasons for the Lease

The Premises are leased for the purpose of providing housing to Dr. Allan WONG Chi Yun in accordance with the terms of his service contract. Dr. Allan WONG Chi Yun's service contract provides that the Company shall pay for the monthly rental of his residence during the continuance of his service contract with the Company. The entering into of the Lease shall not additionally increase the total emoluments entitled by Dr. Allan WONG Chi Yun but is an incentive used for the retention of his service as an employee of the Company.

III. General

The Group is principally engaged in the business of the design, manufacture and distribution of electronic learning products and telecommunication products. The principal activity of Aldenham is property investment.

The maximum aggregate annual value of the transaction is HK\$3 million, calculated on the basis of the yearly rent. The Board considers that this annual cap for the years ending 31 March 2012 is fair and reasonable. Since the total rental value payable by the Company under the Lease represents less than 0.1% of the applicable percentage ratios of the Company under Rule 14A.33 of the Listing Rules, the Lease constitutes an exempted continuing connected transaction and no disclosure or independent shareholders' approval is required.

Definitions:

Unless otherwise defined, the following terms used in this announcement shall have the following meanings:

"Aldenham"	Aldenham Company Limited, a company incorporated in Hong Kong;
"Company"	VTech Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on The Stock Exchange of Hong Kong Limited;
"Board"	the board of directors of the Company;
"Group"	the Company and its subsidiaries;
"Lease"	the lease of the Premise pursuant to an agreement between Aldenham and the Company dated 31 March 2009;
"Premises"	the premises at Duplex Flats A and B on the 29th and 30th Floors including the Flat Roof and the Roof on Top thereof and certain related car parking spaces of Hong Villa, 12 Bowen Road, Mid-Levels, Hong Kong;
"Previous Leases"	the lease of the Premise pursuant to agreements between Aldenham and the Company dated 11 April 2007, 1 April 2005 and 11 April 2003 respectively, as disclosed in announcements of the Company dated 11 April 2007, 6 April 2005 and 11 April 2003 respectively;
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 31 March 2009

As at the date of this announcement, the Executive Directors of the Company are Dr. Allan WONG Chi Yun (Chairman and Group Chief Executive Officer), Dr. PANG King Fai and Mr. Andy LEUNG Hon Kwong. The Independent Non-executive Directors are Dr. William FUNG Kwok Lun, Mr. Denis Morgie HO Pak Cho, Mr. Michael TIEN Puk Sun and Dr. Patrick WANG Shui Chung.

Websites: <http://www.vtech.com>
<http://www.irasia.com/listco/hk/vtech>