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VTech Holdings Limited

(incorporated in Bermuda with limited liability)

(Stock code : 303)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of shareholders of VTech Holdings Limited (the “Company”) will be held at Jade Room, 6/F, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on 22 July 2011 at 3:30 p.m. (Hong Kong time) for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited financial statements and the reports of the Directors and auditor for the year ended 31 March 2011.
2. To consider and declare a final dividend in respect of the year ended 31 March 2011.
3. (a) To re-elect Mr. Andy LEUNG Hon Kwong as Director;
(b) To re-elect Dr. David SUN Tak Kei as Director;
(c) To re-elect Dr. Patrick WANG Shui Chung as Director;
(d) To fix the remuneration of the Directors as totalling US\$240,000 and such that each Director is entitled to US\$30,000 per annum for the year ending 31 March 2012 pro rata to their length of service during the year.
4. To re-appoint KPMG as the auditor of the Company at a fee to be agreed with the Directors.

SPECIAL BUSINESS

Resolutions 5 to 8 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 all the powers of the Company during the Relevant Period to repurchase ordinary shares of US\$0.05 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) subject to and in accordance with all applicable laws and the provisions of, and in the manner specified in, the Rules Governing the Listing of Securities on the Stock Exchange be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares (equivalent to a maximum of 24,833,613 shares) hereby authorised 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 given under this Resolution being renewed, revoked or varied by ordinary resolution of 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 whichever is 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 all 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 of the Company pursuant to the approval in paragraph (a) above, other than as 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 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;
- (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 issued and/or allotted by the Directors pursuant to:
 - (i) a rights issue where shares are offered for a fixed period to shareholders in proportion to their then holdings of shares on a fixed record date (subject to such exclusions 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) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors; and
- (e) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is 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.”

7. “**THAT** conditional on the passing of Resolution 5 set out in the notice convening this meeting, the general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and deal with additional shares pursuant to Resolution 6 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be conditionally or unconditionally allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 5, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”
8. “**THAT** the new share option scheme of the Company (the “2011 Share Option Scheme”), the rules of which are contained in the document marked “A” produced to this Annual General Meeting and for the purpose of identification signed by the Chairman, be approved and adopted and the existing share option scheme of the Company adopted on 10 August 2001 be cancelled (upon which 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 cancellation shall continue to be valid and exercisable in accordance with the same); and subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval of the 2011 Share Option Scheme or not raising any objection thereto, and the granting of 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 thereunder, 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 2011 Share Option Scheme including but without limitation:
- (a) to administer the 2011 Share Option Scheme;
 - (b) to modify and/or amend the 2011 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2011 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 2011 Share Option Scheme, provided always that the total number of Shares subject to the 2011 Share Option Scheme, when aggregated with any Shares subject to any other share option scheme(s) of the Company, shall not exceed 10 per cent. 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 per cent. limit under the 2011 Share Option Scheme (such limit as refreshed shall not exceed 10 per cent. 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 2011 Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30 per cent. 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 per cent. limit provided that the options in excess of the limit are granted only to participants specially 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 2011 Share Option Scheme; and
- (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 2011 Share Option Scheme.”

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

Hong Kong, 20 June 2011

Notes:

1. Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy must be deposited with the Company's registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the AGM or any adjournment thereof.
3. The Register of Members of the Company will be closed from 15 July 2011 to 22 July 2011 (both days inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the AGM and to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates should be lodged with the principal share registrar of the Company, Butterfield Fulcrum Group (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda, or the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Room 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 14 July 2011.

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, Dr. David SUN Tak Kei, Mr. Michael TIEN Puk Sun and Dr. Patrick WANG Shui Chung.

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