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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this Circular or as to the action you should take, you should consult your independent financial adviser, stockbroker, solicitor, professional accountant or other professional adviser duly authorised under the UK Financial Services and Markets Act 2000 immediately.

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

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**vtech**

**VTech Holdings Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock Code - HKSE: 303 LSE: VTH)**

**PROPOSAL FOR VOLUNTARY DELISTING OF  
VTECH HOLDINGS LIMITED  
FROM LONDON STOCK EXCHANGE PLC AND  
NOTICE OF SPECIAL GENERAL MEETING**

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This Circular should be read as a whole. Your attention is drawn to the letter from the Board of the Company which is set out on pages 4 to 7 of this Circular and in which the Board recommends that Shareholders vote in favour of the resolution to be proposed at the special general meeting.

A notice convening a special general meeting of the Company to be held at Elbrus Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong at 4:00 p.m. (Hong Kong time, or as soon as the conclusion of AGM) on Friday 5th September 2008 is set out on page 8 of this Circular.

Whether or not you are able to attend the said meeting, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the Form of Proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so desire.

21st July 2008

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## DEFINITIONS

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

“AGM”	the annual general meeting (or any adjournment or postponement thereof) of the Company to be held at 3:30 pm (Hong Kong time) on Friday 5th September 2008
“Board”	the board of Directors of the Company from time to time
“Business Day”	any day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Capita”	the UK Branch Registrars, Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
“Circular”	this document
“Companies Act”	the Companies Act 1985 as amended, re-enacted, replaced or modified on the date of this document by the Companies Act 2006 and any commencement orders relating to or under the Companies Act 2006
“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 Hong Kong Stock Exchange and on the Official List of the UK Listing Authority
“Delisting”	the cancellation of the listing of the Shares on the Official List and from trading on the London Stock Exchange market for listed securities
“Delisting Resolution”	the resolution of the Shareholders for approving the Delisting in the SGM to be convened
“Directors”	the directors, including all the independent non-executive directors, of the Company from time to time
“Form of Proxy”	the form of proxy for use at the SGM accompanying this Circular
“FSA”	Financial Services Authority
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK Branch Register”	the register of members held in Hong Kong by Computershare Hong Kong Investor Services Limited of 46th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“London Stock Exchange”	London Stock Exchange plc
“Official List”	the list maintained by the FSA for the purpose of Part VI of The Financial Services and Markets Act 2000
“SGM”	the special general meeting (or any adjournment or postponement thereof) of the Company to be held at 4:00 pm (Hong Kong time, or as soon as the conclusion of AGM) on Friday 5th September 2008 notice of which is set out at the end of this Circular
“SGM Notice”	notice of the SGM, which is set out on page 8 of this Circular
“Shareholders”	the shareholders of the Company
“Shares”	the ordinary shares of US\$0.05 each in the capital of the Company
“UK”	the United Kingdom of England, Wales, Scotland and Northern Ireland
“UK Branch Register”	the register of members held in UK by Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom
“UK Listing Rules”	the rules laid down by the UK Listing Authority relating to admission to the Official List pursuant to section 73A(2) of The Financial Services and Markets Act 2000

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## EXPECTED TIMETABLE OF EVENTS

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The expected timetable in relation to the Delisting is as follows:

Last date and time for receipt of Proxy Forms for the SGM	:	4:00 pm on Wednesday 3rd September 2008 (Hong Kong time)
Date and time of the SGM	:	4:00 pm on Friday 5th September 2008 (Hong Kong time)
Last day of dealings of the Shares on the Official List	:	Monday 6th October 2008 (London time)
Date of cancellation of listing of Shares on the Official List and trading on the London Stock Exchange's market for listed securities	:	8:00 am on Tuesday 7th October 2008 (London time)

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## LETTER FROM THE BOARD

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# vtech

## VTech Holdings Limited

*(incorporated in Bermuda with limited liability)*

**(Stock Code - HKSE: 303 LSE: VTH)**

*Executive Directors:*

Allan WONG Chi Yun

*(Chairman and Chief Executive Officer)*

Edwin YING Lin Kwan

PANG King Fai

*Registered Office:*

Clarendon House

Hamilton HM 11

Bermuda

*Independent Non-Executive Directors:*

Raymond CH' IEN Kuo Fung

William FUNG Kwok Lun

Michael TIEN Puk Sun

Patrick WANG Shui Chung

*Principal office in Hong Kong:*

23rd Floor

Tai Ping Industrial Centre

Block 1, 57 Ting Kok Road

Tai Po, New Territories

Hong Kong

21st July 2008

*To the Shareholders and, for information only,  
the holders of share options*

### **PROPOSAL FOR VOLUNTARY DELISTING OF VTECH HOLDINGS LIMITED FROM LONDON STOCK EXCHANGE PLC**

#### **1. INTRODUCTION**

The Board proposes to apply to cancel the listing of the Shares from the Official List of the UK Listing Authority and cancel the admission of the Shares to trading on the London Stock Exchange's market for listed equity securities. A notice period of not less than 20 business days prior to cancellation will commence on 8th September 2008, being the business day after the date of the SGM. As such, it is anticipated that the cancellation of the listing and admission to trading of the Shares will, in both cases, take effect from 7th October 2008.

Pursuant to the Rule 5.2.4 of the UK Listing Rules, the Delisting is subject to Shareholders' approval at the SGM to be convened. The Board has therefore resolved to convene the SGM, the notice of which is set out on page 8 of this document.

Shares of the Company will continue to be listed on the Hong Kong Stock Exchange after the Delisting.

#### **2. REASONS FOR THE DELISTING**

The Board has been considering (i) whether it makes financial sense and (ii) the associated benefits of the Shares being listed on two publicly traded stock exchanges, namely the London Stock Exchange and the Hong Kong Stock Exchange. After due and careful consideration, the Board is of the view that as the volume of trading of the Shares on the London Stock Exchange is very limited and the compliance costs and administrative burden are relatively significant, it is no longer in the Company's best interest to maintain a listed status on the London Stock Exchange. As the Company will continue to maintain its primary listing in Hong Kong, the Board is of the view that the dispensation of such additional costs and burden will enable the Board to focus its resources on the business operations of the Company.

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## LETTER FROM THE BOARD

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### 3. IMPLICATIONS OF DELISTING FOR SHAREHOLDERS

The Delisting Resolution, if approved by the Shareholders, will result in the delisting of the Company from the London Stock Exchange. This will mean the Company is no longer subject to the UK Listing Rules as well as any other rules and regulations applying to companies with securities traded on the London Stock Exchange. The Company will, however, maintain its Bermuda Share Register as the principal register and continue to be listed on the Hong Kong Stock Exchange and the Shareholders registered in Hong Kong can continue to trade their Shares on the Main Board of the Hong Kong Stock Exchange. Those registered in Bermuda can choose to move their shares to Hong Kong Register so as to trade on the Hong Kong Stock Exchange. Shareholders' voting rights and entitlement to dividends will not be affected by the Delisting. There will be no facility to trade shares on the London Stock Exchange following the delisting and those Shareholders who are affected should contact their stockbroker for further information as to how to trade on the Hong Kong Stock Exchange. The Delisting will also mean that the Company and its Shareholders will no longer be subject to the rights and protections afforded by the Listing Rules of the UK Listing Authority, the City Code, the Combined Code and any other rules and regulations applying to companies with securities traded on the London Stock Exchange.

All Shareholders are entitled to vote on the Delisting Resolution. If the Delisting Resolution is passed, the following procedure stipulated by the UK Branch Register ("Capita") will apply with respect to the removal of Shares which are currently registered with Capita. Shareholders who do not have any Shares registered with Capita are not required to take any action with respect to the removal of Shares and this document is for your information only.

After the Delisting Resolution has been approved at the SGM, the Company will make the necessary announcements on the websites of the Company, the London Stock Exchange and the Hong Kong Stock Exchange to inform all Shareholders of the date of Delisting.

**Please note that the last trading day of Shares on the London Stock Exchange will be Monday 6th October 2008, being one business day prior to the date of Delisting.**

### 4. REMOVAL OF THE UK BRANCH SHARE REGISTER

Upon Delisting, each Shareholder who holds Shares that are registered with Capita will be entitled to receive one share certificate representing such Shares. Computershare, the HK Branch Register, will arrange to despatch within 10 Business Days of the date of Delisting, all share certificates to the relevant Shareholders by ordinary mail at the risk of the Shareholder, to the address appearing in the records of Capita.

After the removal of all Shares from the UK Branch Register to the HK Branch Register is completed, the Company will no longer maintain the UK Branch Register and all the Shareholders shall receive a dividend in United States dollars if the Company declares any from time to time, save that those Shareholders with a registered address in Hong Kong will receive the equivalent amount in Hong Kong dollars.

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## LETTER FROM THE BOARD

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Shareholders who have any queries as to the procedures governing the removal of Shares and the issuing of new share certificates, may contact the share registrars or the company secretary of the Company (contact details below) for further information.

**Share Registrar Bermuda Principal**

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM08  
Bermuda  
Tel: (441) 299 3954  
Fax: (441) 295 6759  
Email: funds@bntb.bm

**Share Registrar UK Branch**

Capita Registrars Limited  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
United Kingdom  
Tel: 0871 664 0300 (UK only - calls cost  
10p per minute plus network extras)  
(44) 208 639 3399 (International)  
Fax: (44) 208 639 2342  
Email: ssd@capitaregistrars.com

**Share Registrar Hong Kong Branch**

Computershare Hong Kong Investor Services  
Limited  
Room 1806-07, 18th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Tel: (852) 2862 8628  
Fax: (852) 2865 0990  
Email: hkinfo@computershare.com.hk

**Company Secretary**

VTech Holdings Limited  
23rd Floor, Tai Ping Industrial Centre  
Block 1, 57 Ting Kok Road  
Tai Po, Hong Kong  
Tel: (852) 2680 1000  
Fax: (852) 2680 1300  
Email: investor\_relations@vtech.com

### 5. NOTICE OF SPECIAL GENERAL MEETING

A notice convening the SGM is set out on page 8 of this document. A special resolution will be proposed at the SGM for the Shareholders to approve the Delisting. The approval of 75 per cent. of Shareholders voting at the SGM, in person or by proxy, must be obtained for the Delisting Resolution to become effective.

### 6. SPECIAL RESOLUTION

The special resolution to be passed (as referred to in paragraph 5 above) is split into two parts, as follows:

- (i) the voluntary cancellation of the London Stock Exchange listing and trading of the ordinary shares of US\$0.05 each in the capital of the Company; and
- (ii) authority for any director or the company secretary of the Company to execute all documents and do all such acts to give effect to the cancellation.

### 7. ACTION TO BE TAKEN

A Form of Proxy is enclosed with this document for use at the SGM. Whether or not you choose to attend this meeting, you are requested to complete and return the enclosed Form of Proxy to the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Room 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the Form of Proxy will not preclude you from attending and voting at the meeting in person if you so wish.



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## LETTER FROM THE BOARD

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### 8. PROCEDURE TO DEMAND A POLL

The procedure by which Shareholders of the Company may demand a poll at the SGM of the Company is set out herein below.

Pursuant to Bye-law 75 of the Bye-laws of the Company, a resolution put to the vote shall be decided on show of hands unless a poll is duly demanded before or upon declaration of the result of the show of hands, by:-

- (i) the Chairman of the meeting; or
- (ii) at least three members present in person or by proxy for the time being entitled to vote; or
- (iii) any member/members present in person or by proxy and representing not less than one-tenth of the voting rights of all the members having the right to vote at the meeting; or
- (iv) any member/members present in person or by proxy and holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

In order to enhance Shareholders' rights, the Chairman will demand a poll, pursuant to Bye-law 75 on the Delisting Resolution. The results of the poll will be published on the websites of the Company, the London Stock Exchange and the Hong Kong Stock Exchange on the business day following the SGM.

### 9. DIRECTORS' RECOMMENDATION

The Board considers that the proposed Delisting is in the best interest of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that the Shareholders vote in favour of the Delisting Resolution to be proposed at the SGM.

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

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## NOTICE OF SPECIAL GENERAL MEETING

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# vtech

## VTech Holdings Limited

*(incorporated in Bermuda with limited liability)*

**(Stock Code - HKSE: 303 LSE: VTH)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of VTech Holdings Limited (the “Company”) will be held at Elbrus Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday 5th September 2008 at 4:00 p.m. (Hong Kong time, or as soon as the conclusion of AGM) for the following purpose:

### **SPECIAL RESOLUTION**

**“THAT:**

- (i) the voluntary cancellation of the listing of the ordinary shares of US\$0.05 each in the capital of VTech Holdings Limited (the “Company”) on the list maintained by the Financial Services Authority for the purpose of Part VI of The Financial Services and Markets Act 2000 (the “Official List”) and from trading on the London Stock Exchange plc market for listed securities under Rule 5.2.4 of the rules laid down by the UK Listing Authority relating to admission to the Official List pursuant to section 73A(2) of The Financial Services and Markets Act 2000 be and is hereby approved; and
- (ii) any director or the company secretary of the Company be and is hereby authorised from time to time, as he considers necessary, desirable or expedient to give effect to the above resolution:-
  - (a) to execute for and on behalf of the Company all documents, instruments, certificates, notices or agreements as may be contemplated or required in respect of the matters contemplated by the above resolution; and
  - (b) to do all such other acts, matters or things for and on behalf of the Company, as may seem necessary or desirable to perfect, give effect to or implement any of the said documents or the said matters.”

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

Hong Kong, 21st July 2008

*Notes:*

1. Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his 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 Room 1806-07, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the SGM or any adjournment thereof.



## VTech Holdings Limited

(incorporated in Bermuda with limited liability)  
(Stock Code - HKSE: 303 LSE: VTH)

### PROXY FORM

#### FOR THE SPECIAL GENERAL MEETING TO BE HELD ON 5TH SEPTEMBER 2008

I/We <sup>1</sup>, \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of <sup>2</sup> \_\_\_\_\_ shares  
of US\$0.05 each in the capital of VTECH HOLDINGS LIMITED (the "Company") HEREBY APPOINT the Chairman of the  
Special General Meeting or <sup>3</sup> \_\_\_\_\_ of \_\_\_\_\_  
of \_\_\_\_\_  
as my/our proxy to attend, act and vote for me/us and on my/our behalf at the Special General Meeting of the Company (and at  
any adjournment thereof) to be held at Elbrus Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway,  
Hong Kong on 5th September 2008, at 4:00 p.m. (Hong Kong time, or as soon as the conclusion of the Annual General Meeting)  
and to vote in respect of the following resolutions as indicated below or, if no such indication is given, as my/our proxy thinks fit:

	SPECIAL RESOLUTION	FOR <sup>4</sup>	AGAINST <sup>4</sup>
1.	To approve and consider the voluntary cancellation of the listing of the ordinary shares of US\$0.05 each in the capital of VTech Holdings Limited (the "Company") on the list maintained by the Financial Services Authority for the purpose of Part VI of The Financial Services and Markets Act 2000 (the "Official List") and from trading on the London Stock Exchange plc market for listed securities under Rule 5.2.4 of the rules laid down by the UK Listing Authority relating to admission to the Official List pursuant to section 73A(2) of The Financial Services and Markets Act 2000 be and is hereby approved; and to authorize any director or the company secretary of the Company from time to time, as he considers necessary, desirable or expedient to give effect to the above resolution to execute for and on behalf of the Company all documents, instruments, certificates, notices or agreements as may be contemplated or required in respect of the matters contemplated by the above resolution; and to do all such other acts, matters or things for and on behalf of the Company, as may seem necessary or desirable to perfect, give effect to or implement any of the said documents or the said matters.		

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2008 Shareholder's signature <sup>5</sup> \_\_\_\_\_

#### Notes:

- Full name(s) and address(es) to be inserted in BLOCK CAPITALS. The names of all joint holders should be stated.
- Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the Company registered in your name(s).
- If any proxy other than the Chairman of the Special General Meeting is preferred, please delete the words "the Chairman of the Special General Meeting" and insert the name and address of the proxy desired in the space provided. ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.
- IMPORTANT: IF YOU WISH TO VOTE FOR A PARTICULAR RESOLUTION, TICK IN THE RELEVANT BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A PARTICULAR RESOLUTION, TICK IN THE RELEVANT BOX MARKED "AGAINST". Failure to tick a box will entitle your proxy to cast your vote at his/her/its discretion on any resolution properly put to the Special General Meeting other than those referred to in the notice convening the Meeting.
- The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be signed either under its common seal or under the hand of an officer or attorney duly authorised.
- In order to be valid, this form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarized or certified copy thereof must be lodged at the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Room 1806-07, 18/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof.
- In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company.
- The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
- Completion and delivery of the form of proxy will not preclude you from attending and voting at the Special General Meeting in person if you so wish.