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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 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: 303)**

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL 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 2 to 9 (inclusive) of this Circular. A notice convening the annual general meeting of VTech Holdings Limited to be held at Everest Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong at 3:30 p.m. (Hong Kong time) on 7th August 2009 is set out on pages 10 to 13 (inclusive) 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.

6th July 2009

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## DEFINITIONS

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*In this Circular, 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 on 7th August 2009 at 3:30 p.m. (Hong Kong time)
“AGM Notice”	notice convening the AGM, which is set out on pages 10 to 13 (inclusive) of this Circular
“Board”	the board of Directors from time to time
“Circular”	this document
“Company”	VTech Holdings Limited, an exempted company incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended), the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s), including all the independent non-executive director(s), of the Company from time to time
“Form of Proxy”	the form of proxy for use at the AGM accompanying this document
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Register”	the register of members held in Hong Kong by Computershare Hong Kong Investor Services Limited of Room 1806-07, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Latest Practicable Date”	30th June 2009, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information included herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) of US\$0.05 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

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## LETTER FROM THE BOARD

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### 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

Church Street

Hamilton HM 11

Bermuda

*Independent Non-Executive Directors:*

William FUNG Kwok Lun

Denis Morgie HO Pak Cho

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

6th July 2009

*To the Shareholders,*

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this Circular is to seek your approval of proposals to (i) grant general mandates to repurchase shares and to issue shares; (ii) re-elect the retiring Directors, and to provide you with information in connection with such proposals. Your approval on such proposals will be sought at the AGM.

**2. GENERAL MANDATE TO REPURCHASE SHARES**

The previous general mandate granted to the Directors at the annual general meeting of the Company held on 5th September 2008 to exercise the powers of the Company to repurchase Shares will expire at the AGM.

At the AGM, Resolution 5, as set out in the AGM Notice, will be proposed as an ordinary resolution pursuant to which the Directors will be granted a general and unconditional mandate to exercise all the powers of the Company to repurchase issued Shares subject to the criteria set out in the resolution. The authority relates only to repurchases made on the Stock Exchange and otherwise in accordance with the Listing Rules. The general mandate covers repurchases made or agreed to be made only during the period ending at the conclusion of the annual general meeting of the Company to be held in 2010 or until the authority given under Resolution 5 is renewed, revoked, or varied by

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## LETTER FROM THE BOARD

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ordinary resolution of the Shareholders in general meeting, whichever occurs first. In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of a mandate to exercise the powers of the Company to purchase its own Shares. This Circular sets out below such information, in relation to the mandate to repurchase Shares, as is required to be provided in accordance with the Listing Rules.

### **Share Capital and Maximum Number of Shares that may be Repurchased**

The maximum number of Shares that may be repurchased on the Stock Exchange or on another stock exchange pursuant to the mandate will be such number of Shares as represents 10% of the share capital of the Company in issue on the date of the AGM. As at the Latest Practicable Date, there were in issue an aggregate of 245,857,133 Shares. Subject to the passing of the relevant resolution approving the mandate to repurchase Shares and on the basis that no Shares are issued or repurchased prior to the AGM, the Company would be permitted under the repurchase mandate to repurchase a maximum of 24,585,713 Shares. The mandate relates only to repurchases of Shares which are fully paid up.

As at the Latest Practicable Date, the total number of options to subscribe for Shares that were outstanding was 3,993,000 being equivalent to approximately 1.6% of the total issued share capital of the Company as at that date. If the repurchase of Shares under the currently existing mandate was carried out in full prior to the AGM and the repurchase of Shares under the new mandate to be passed at the AGM was also carried out in full following the AGM, the percentage of the total number of options to the total issued share capital would increase to approximately 2%.

### **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 account of 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 of the Company 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 financial position of the Company as at 31st March 2009, (being the date to which the latest published audited consolidated financial statements of the Company have been made up) and in particular the working capital position of the Company 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 Company 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 Company 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. Purchases of Shares must be financed out of funds legally available for such purpose in

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## LETTER FROM THE BOARD

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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 fresh 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 by no later than 9:00 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 and all applicable Bermuda laws and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

### **Directors and Connected Persons**

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) of any of the Directors, have any present intention, in the event that the grant to the Directors of the repurchase mandate is approved by the Shareholders, of selling Shares to the Company.

No persons who are connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchases of Shares.

### **Hong Kong Code on Takeovers and Mergers**

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Codes on Takeovers and Mergers (the "Takeovers Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for the securities of the Company under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the total interests of Dr. Allan WONG Chi Yun (including interests held directly and indirectly by the trustee of a discretionary trust in which Dr. WONG is the founder) was 38.9% 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 from the public shareholding, the percentage shareholding of Dr. WONG (including interests held directly and indirectly by the trustee of a discretionary trust in which Dr. WONG is the founder) would increase to 43.2%.

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## LETTER FROM THE BOARD

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The Directors do not have the intention to exercise the power to repurchase Shares of the Company to an extent which would make any of the substantial Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect.

### Share Prices and Share Repurchase Records

During each of the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Share Price	
	Highest HK\$	Lowest HK\$
<b>2008</b>		
July	48.80	41.05
August	51.00	45.40
September	47.00	42.60
October	46.10	19.50
November	30.00	18.50
December	34.90	21.50
<b>2009</b>		
January	34.50	27.25
February	32.80	28.55
March	30.95	27.60
April	42.50	29.60
May	41.00	36.00
June	54.40	39.20

During the six months preceding the Latest Practicable Date, no Shares were repurchased by the Company.

### 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.

### 3. GENERAL MANDATE TO ISSUE SHARES

The previous general mandate granted to the Directors at the annual general meeting of the Company held on 5th September 2008 to exercise the powers of the Company to allot, issue and deal with Shares will expire at the AGM.

Resolution 6 as set out in the AGM Notice will be proposed as an ordinary resolution to renew a general and unconditional mandate to authorise the Directors to allot, issue and deal with further new Shares representing up to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date the resolution is passed. As at the Latest Practicable Date, there were in issue an aggregate of 245,857,133 Shares. On the basis that no Shares are issued or repurchased prior to the AGM, the Company would be allowed to allot, issue and deal with a maximum of 24,585,713 further new Shares. In addition, if Resolution 5 is passed, authorising the repurchase of

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## LETTER FROM THE BOARD

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Shares by the Company, Resolution 7 as set out in the AGM Notice will be proposed as an ordinary resolution to extend the authority of the Directors to allot, issue and deal with Shares to include an additional number of Shares equal to the number of Shares repurchased under the repurchase mandate.

The authority of the Directors to allot and issue Shares pursuant to Resolutions 6 and 7 shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2010, or the date of renewal of such authority prior to such time or the date on which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting. The Directors confirm that there are no pre-emptive rights attaching to the Shares and that they have no present intention of allotting, issuing and dealing with Shares pursuant to the authority that would be vested in them pursuant to Resolutions 6 and 7 set out in the AGM Notice.

#### 4. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 112(A) of the Bye-laws of the Company, Dr. Allan WONG Chi Yun will retire as a Director by rotation at the AGM. Meanwhile, in accordance with Bye-law 94 of the Bye-laws of the Company, Mr. Denis Morgie HO Pak Cho and Mr. Andy LEUNG Hon Kwong appointed by the Board as the new Directors during the year shall also retire at the AGM. All of these Directors being eligible, will offer themselves for re-election at the AGM.

Particulars of the Directors proposed to be re-elected at the AGM are as follows:

##### **Allan WONG Chi Yun**

**Allan WONG Chi Yun**, GBS, MBE, JP, aged 58, Chairman and Group Chief Executive Officer, co-founded the Group in 1976. Dr. WONG holds a Bachelor of Science degree in Electrical Engineering from the University of Hong Kong, a Master of Science degree in Electrical and Computer Engineering from the University of Wisconsin and an Honorary Doctorate of Technology from the Hong Kong Polytechnic University. Dr. WONG is a member of the Commission on Strategic Development, a member of the Greater Pearl River Delta Business Council and a council member of the University of Hong Kong. He is an independent non-executive director of The Bank of East Asia, Limited, China-Hong Kong Photo Products Holdings Limited and Li & Fung Limited. Save as disclosed above, Dr. WONG has not held other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years.

Dr. WONG is the founder of The Wong Chung Man 1984 Trust, a discretionary trust of which Trustcorp Limited is the trustee. Each of Conquer Rex Limited, Honorex Limited and Twin Success Pacific Limited, being a wholly-owned subsidiary of Trustcorp Limited, is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Dr. WONG holds directorship in these substantial shareholders. Save as disclosed above, Dr. WONG has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Dr. WONG had personal interests of 17,654,393 ordinary Shares, family interests of 3,968,683 ordinary Shares, other interests of 74,101,153 ordinary Shares held by a discretionary trust in which Dr. WONG is the founder and 1,488,000 underlying Shares in respect of share options granted under the Share Option Scheme of the



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## LETTER FROM THE BOARD

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Company within the meaning of Part XV of the Securities and Futures Ordinance. Details of his interests are provided in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” under the “Report of Directors” in the Annual Report of the Company for the year ended 31st March 2009. There is no service contract entered into between Dr. WONG and the Company or any of its subsidiaries that cannot be determined by the Group within one year without payment of compensation (other than statutory compensation) and his directorship is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-laws of the Company. Dr. WONG is entitled to a director’s fee as approved from time to time by the shareholders of the Company at annual general meeting of the Company, pro rata to his length of service during the year. The director’s fee of Dr. WONG as an Executive Director of the Company is US\$20,000 per annum. He is also entitled to a further payment of bonus which is determined with reference to the Company’s profitability. The amount of remuneration will be subject to annual review by the Remuneration Committee of the Company. Details of his emoluments are provided in the section headed “Directors’ and Individuals’ Emoluments” under the “Notes to Financial Statements” in the Annual Report of the Company for the year ended 31st March 2009.

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 Paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

### **Denis Morgie HO Pak Cho**

**Denis Morgie HO Pak Cho**, aged 67, appointed as an Independent Non-executive Director on 3rd November 2008. Mr. HO is a retired senior partner of PricewaterhouseCoopers in Hong Kong. Mr. HO holds a Bachelor Degree in Commerce from the University of Melbourne. He is a fellow member of the Institute of Chartered Accountants in Australia and the Hong Kong Institute of Certified Public Accountants. He has over 40 years of professional accounting experience. Save as disclosed above, Mr. HO has not held other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years.

Mr. HO does not hold other directorships in the Group. He has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. HO did not have any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered into between Mr. HO and the Company. Mr. HO has been appointed for a term of three years and is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. HO will be entitled to receive a director’s fee as approved from time to time by the shareholders of the Company at annual general meeting of the Company, pro rata to his length of service during the year. The director’s fee of Mr. HO as an Independent Non-executive Director of the Company is US\$20,000 per annum. The amount of his director’s fee has been determined by the Board with reference to his scope of responsibilities. Details of his emoluments are provided in the section headed “Directors’ and Individuals’ Emoluments” under “Notes to Financial Statements” in the Annual Report of the Company for the year ended 31st March 2009.

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 Paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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## LETTER FROM THE BOARD

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### **Andy LEUNG Hon Kwong**

**Andy LEUNG Hon Kwong**, aged 50, Executive Director and Chief Executive Officer of Contract Manufacturing Services business, appointed an Executive Director on 1st January 2009. He 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. In addition to the executive role in the division, he is also responsible for overseeing China Services Department of the Group. Mr. LEUNG joined the Group in 1988, left the Group in 1990 and re-joined in 1991. He became the CEO of Contract Manufacturing Services business in 2002 after serving as General Manager for 9 years. Mr. LEUNG has over 20 years of experience in the electronics and manufacturing industry. Save as disclosed above, Mr. LEUNG has not held other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years.

Mr. LEUNG holds directorships in certain members of the Group. He has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. LEUNG was interested in 500 ordinary Shares in the Company and 372,000 underlying Shares in respect of share options granted under the Share Option Scheme of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Details of his interests are provided in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” under the “Report of Directors” in the Annual Report of the Company for the year ended 31st March 2009. There is no service contract signed between Mr. LEUNG and the Company. Mr. LEUNG has not been appointed for a specific term and his directorship is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-laws of the Company. Mr. LEUNG is entitled to a director’s fee as approved from time to time by the shareholders of the Company at annual general meeting of the Company, pro rata to his length of service during the year. The director’s fee of Mr. LEUNG as an Executive Director of the Company is US\$20,000 per annum. He is also entitled to a further payment of bonus which is determined with reference to the Company’s profitability. The amount of remuneration will be subject to annual review by the Remuneration Committee of the Company. Details of his emoluments are provided in the section headed “Directors’ and Individuals’ Emoluments” under “Notes to Financial Statements” in the Annual Report of the Company for the year ended 31st March 2009.

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 Paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

### **5. VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The Chairman will therefore demand a poll for every resolution put to the vote of the AGM.

Pursuant to Bye-law 75 of the Bye-laws of the Company, a poll is demanded 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

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## LETTER FROM THE BOARD

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- (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.

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

### 6. NOTICE OF ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 10 to 13 (inclusive) of the Circular.

A Form of Proxy is enclosed with this Circular for use at the AGM. The Form of Proxy can also be downloaded from the Company's website at [www.vtech.com](http://www.vtech.com) or the website of Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). 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 of a Form of Proxy will not preclude you from attending and voting at the meeting in person if you so wish.

### 7. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### 8. RECOMMENDATIONS

The Directors consider that the general mandate to repurchase Shares, issue Shares and re-election of the retiring Directors are each in the best interests of the Company and its Shareholders as a whole. The Directors recommend that the Shareholders of the Company to vote in favour of these resolutions to be proposed at the AGM.

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

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## NOTICE OF ANNUAL GENERAL MEETING

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### VTech Holdings Limited

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 303)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of shareholders of VTech Holdings Limited (the "Company") will be held at Everest Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on 7th August 2009 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 auditors for the year ended 31st March 2009.
2. To declare a final dividend of US41 cents per share in respect of the year ended 31st March 2009.
3.
  - (a) To re-elect Dr. Allan WONG Chi Yun as Director;
  - (b) To re-elect Mr. Denis Morgie HO Pak Cho as Director;
  - (c) To re-elect Mr. Andy LEUNG Hon Kwong as Director;
  - (d) To fix the remuneration of the Directors as totalling US\$140,000 and such that each Director is entitled to US\$20,000 per annum for the year ending 31st March 2010 pro rata to their length of service during the year.
4. To re-appoint KPMG as the auditors and to authorise the Board of Directors to fix their 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 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 ("Hong Kong 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 Hong Kong Stock Exchange be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of the 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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(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

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## NOTICE OF ANNUAL GENERAL MEETING

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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 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.”

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

Hong Kong, 6th July 2009

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. At the 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 in his/her/its stead. A proxy need not be a member of the Company.
3. 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 AGM or any adjournment thereof.
4. The Register of Members of the Company will be closed from 31st July 2009 to 7th August 2009 (both days inclusive), during which period no transfer of shares will be effected. In order 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, Hong Kong for registration no later than 4:00 p.m. (local time of the relevant share registrar) on 30th July 2009.