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VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 303)

GRANT OF SHARE OPTIONS

This announcement is made by VTech Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company announces that on 28 August 2024, the Company offered to grant share options (the “**Option(s)**”) to five eligible participants (the “**Grantees**”) to subscribe for an aggregate of 1,465,000 ordinary shares (“**Share(s)**”) of US\$0.05 each in the share capital of the Company under the Company’s share option scheme amended and adopted by a resolution passed by the shareholders (the “**Shareholders**”) at the annual general meeting held on 19 July 2023 (the “**Scheme**”), subject to acceptance by the Grantees.

Details of the Options granted are as follows:

Date of grant	: 28 August 2024 (the “ Date of Grant ”)
Number of Options granted	: 1,465,000 Options (each Option entitles the holder to subscribe for one Share)
Exercise price of the Options	: HK\$50.05 per Share, which is not less than: <ul style="list-style-type: none">(i) HK\$49.20, being the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant; and(ii) HK\$50.05, being the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Date of Grant.

Vesting period of the Options : The Options will be vested according to the following schedule:

Portion of the Options to be vested	Vesting date
One-third*	1 September 2025
One-third*	1 September 2026
The balance	1 September 2027

** If the number is not a whole number, rounded down to the nearest whole number.*

Exercise period of the Options : The Options are exercisable for a period of three years commencing from their respective date of vesting.

Performance target and clawback mechanism : There is no performance target nor clawback mechanism attached to the Options.

The purpose of the Scheme is to incentivise directors and employees of the Group and attract suitable personnel for continuous development of the Group.

Having considered that (i) the Grantees are either Directors or employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; and (ii) the Options are subject to certain vesting conditions and terms of the Scheme, which already covers situations where the Options will lapse in the event that the Grantees cease to be Directors or employees of the Group, the Remuneration Committee of the Company and the Board believe that even without additional performance target or clawback mechanism, the grant of the Options would align the interests of the Grantees with that of the Group and the Shareholders, provide incentives to the Grantees to devote to the future continuous competitiveness, results of operation and growth of the Group, and reinforce the Grantees' long term commitment to the Group, which is in line with the purpose of the Scheme in providing a flexible means of giving incentive to and rewarding eligible participants of the Scheme.

All the Grantees are either Directors or employees of the Group. Among the 1,465,000 Options granted, 495,000 Options were granted to two senior management members of the Company and the remaining Options were granted to the following Directors:

Name	Position	Number of Options granted
Allan WONG Chi Yun	Chairman, Group Chief Executive Officer, Executive Director and a substantial shareholder	250,000
PANG King Fai	Executive Director	270,000
Andy LEUNG Hon Kwong	Executive Director	450,000

The grant of the above Options to the Directors and the two senior management members of the Company was approved by the Board and all the Independent Non-executive Directors.

Except as disclosed above, as at the date of this announcement, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company with options granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares.

After the grant of the above Options, the number of new Shares available for future grant under the Scheme and other share schemes of the Company is 23,136,579.

By Order of the Board
VTech Holdings Limited
Allan WONG Chi Yun
Chairman

Hong Kong, 28 August 2024

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 Non-executive Director of the Company is Mr. William WONG Yee Lai; and the Independent Non-executive Directors of the Company are Dr. William FUNG Kwok Lun, Professor GAN Jie, Professor KO Ping Keung, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man.