



## **VTech Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 303)

### **Dividend Policy**

#### **1. Purpose**

This policy (the “Policy”) sets out the guidelines for the Board (the “Board”) of Directors (the “Directors”) of VTech Holdings Limited (the “Company” and together with all its subsidiaries referred to as “we”, “VTech” or the “Group”) to determine (i) whether dividends are to be declared and paid for the relevant financial year/period; and (ii) if so, the amount of dividends to be paid to the shareholders of the Company (the “Shareholders”).

#### **2. General**

This Policy aims to allow the Shareholders to share the Company’s results of operation and benefit from its profit whilst allowing the Company to retain adequate reserves to fund its business growth and investment opportunities. Generally, the Company declares and pays dividends twice a year, which are the interim dividend and final dividend. The Board may declare special dividend in addition to such dividends at its sole discretion as it considers appropriate. Any declarations of dividends may or may not reflect the historical declarations of dividends. Any distributable profits of the Company that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in the operations of the Group.

#### **3. Factors for Consideration**

In determining and recommending the frequency, amount and form of any dividend in any financial year/period, the Board shall consider the following factors:

- actual and expected results of operations, cash flow and financial performance of the Group;
- global economic conditions and other factors that may have an impact on the business operation or financial performance of the Group;
- the Group’s business strategies, current and future operations, liquidity position and capital requirements, including future cash commitments and investment needs to sustain the long-term growth of the business;



- any restrictions on payment of dividends in the Company's bye-laws, the relevant laws and regulations or which may be imposed by the Group's lenders or other contract parties; and
- any other factors that the Board deems appropriate.

Any declaration and payment of future dividends under this Policy are subject to the Board's satisfaction that the same would be in the best interests of the Company and its shareholders as a whole.

#### **4. Form of Dividend**

Subject to the Company's Bye-laws and applicable laws and regulations, dividend may be paid in cash or be satisfied wholly or partly in the form of allotment of shares of the Company. The Board may also consider the issuance of bonus shares on a basis permitted by the Company's Bye-laws and applicable laws and regulations.

#### **5. Approval**

The Board may determine and pay to the Shareholders any interim dividend as it considers appropriate, and recommend the payment of final dividend which shall be approved by the Shareholders.

#### **6. Disclosure of this Policy**

This Policy will be published on the Company's website for investors' information. A summary of this Policy will be disclosed in the Company's Corporate Governance Report in its annual report.

#### **7. Review of this Policy**

The Board shall review this Policy from time to time and may, at its sole and absolute discretion, update, amend or modify this Policy at any time as it sees fit or necessary.

March 2025