

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 303)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE PURSUANT TO SHARE PURCHASE SCHEME

The Board hereby announces that it has resolved to allot and issue 350,000 new Shares to the Trustee under the General Mandate granted by the shareholders at the 2019 AGM in order to grant awards to selected employees pursuant to the Share Purchase Scheme.

The Company shall cause to pay the Trustee an aggregate amount of USD17,500 from the Company's internal resources to fund the Trustee to subscribe for the Awarded Shares.

The number of the Awarded Shares to be allotted and issued by the Company to the Trustee represents: (i) approximately 0.14% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.14% of the issued share capital of the Company as enlarged by the allotment of the Awarded Shares.

Reference is made to the Share Purchase Scheme established by the Company for the purpose of incentivising officers and employees and attracting suitable personnel for the continuous development of the Group. Details of the Share Purchase Scheme were set out in the announcements of the Company dated 31 March 2011 and 19 May 2015. Unless otherwise defined, capitalized terms defined in the said announcements shall have the same meanings when used herein.

The Board hereby announces that it has resolved to allot and issue 350,000 new Shares (subject to the Stock Exchange granting its approval for the listing of and permission to deal in such new Shares on the Stock Exchange) to the Trustee under the General Mandate granted by the shareholders at the 2019 AGM in order to grant awards to the selected employees (excluding the Directors and connected persons as defined under the Listing Rules) pursuant to the Share Purchase Scheme. Pursuant to the General Mandate, the maximum number of Shares that can be allotted and issued by the Directors is 25,177,913 Shares.

The new Shares shall be allotted and issued at par value and the Company shall cause to pay the Trustee an aggregate amount of USD17,500 from the Company's internal resources to fund the Trustee to subscribe for the Awarded Shares, and the Trustee shall hold such the Awarded Shares on trust for the relevant selected employees, which shall be transferred to the relevant selected employees at no cost, upon satisfaction of all vesting conditions specified by the Board at the time of making the Awards. The number of selected employees to whom the Awards will be granted is over 190. The Trustee is not a connected person of the Company (as defined under the Listing Rules) and is a third party independent of the Company.

The number of the Awarded Shares to be allotted and issued by the Company to the Trustee represents: (i) approximately 0.14% of the issued share capital of the Company as at the date of this announcement, and (ii) approximately 0.14% of the issued share capital of the Company as enlarged by the allotment of the Awarded Shares.

The Awarded Shares, when allotted and issued, shall rank *pari passu* among themselves and with the other Shares currently in issue, with the right to receive all dividends and other distributions which are on or after the date of allotment of the new Shares. While the Trustee holds the new Shares on trust for the selected employees, it may exercise at its discretion the voting rights attached to such Shares (and the Company has no power to influence whether and how the Trustee should exercise such discretion).

Application will be made by the Company to the Stock Exchange for approval of the listing of and permission to deal in the Awarded Shares. Other than such approval to be granted by the Stock Exchange, the allotment of the Awarded Shares is not subject to any condition or approval by the shareholders of the Company.

Further information relating to the Awarded Shares is set out below:

Securities to be issued: 350,000 new Shares

Fund to be raised: Nil

Note: USD17,500, being an aggregate of the total nominal value of the Shares to be issued, shall be paid by the Company (from its internal resources) to the Trustee

Reason for the issue: For the purpose of incentivising officers and employees and attracting suitable personnel for the continuous development of the Group

Identity of the allottee: Bank of East Asia (Trustees) Limited, being the trustee appointed by the Company for the administration of the Share Purchase Scheme

Market price of the Shares: HK\$46.85 per Share, being the closing price of the Shares as at 15 June 2020

Fund raising activity(ies) in the last 12 months: The Company has not engaged in any fund raising activities by any issue of Shares in the 12 months immediately preceding the date of this announcement

DEFINITIONS

“2019 AGM”	the annual general meeting of the Company held on 12 July 2019
“Award(s)”	award(s) of a certain number of the Awarded Shares by the Board to the selected employees
“Awarded Shares”	the 350,000 new Shares to be allotted and issued to the Trustee under the General Mandate for the purpose of the Share Purchase Scheme
“Board”	the board of directors of the Company
“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) of the Company
“General Mandate”	the general unconditional mandate granted to the Directors at the 2019 AGM to allot, issue and deal with the Shares in the capital of the Company of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the 2019 AGM
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of US\$0.05 each in the issued share capital of the Company
“Share Purchase Scheme”	the share purchase scheme adopted by the Company on 30 March 2011 as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	Bank of East Asia (Trustees) Limited, being the trustee appointed by the Company for the administration of the Share Purchase Scheme

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

Hong Kong, 15 June 2020

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. The Independent Non-executive Directors of the Company are Dr. William FUNG Kwok Lun, Professor KO Ping Keung, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man.

www.vtech.com/en/investors/