
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or 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 bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, 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 Circular.



VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 303)

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

PRECAUTIONARY MEASURES FOR THE 2022 ANNUAL GENERAL MEETING

To ensure the health and safety of attendees and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the 2022 Annual General Meeting of the Company ("2022 AGM"):

- (1) Compulsory temperature screening/checks
- (2) Mandatory wearing of surgical face mask
- (3) Scanning of the "LeaveHomeSafe" venue and vaccination record QR codes as well as complying with the requirements of the Vaccine Pass Direction
- (4) Maintaining an appropriate social distancing between seats
- (5) No provision of gifts, refreshments or drinks
- (6) Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authority, or as considered appropriate in light of the development of the COVID-19 pandemic

Attendees who do not comply with the precautionary measures will be denied entry to the 2022 AGM venue, at the absolute discretion of the Company as permitted by law.

Shareholders are strongly encouraged to exercise their rights and indicate how they would like the proxy to vote on their behalfs by submitting a form of proxy to appoint the Chairman of the 2022 AGM as their proxy for voting, and to return their form of proxy by the time specified below, instead of attending the 2022 AGM in person.

A notice convening the Annual General Meeting of VTech Holdings Limited to be held at Jade & Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 13 July 2022 at 3:30 p.m. (Hong Kong time) is set out on pages 18 to 22 of this Circular.

Whether or not you are able to attend the 2022 AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2022 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM or any adjournment thereof if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

CONTENTS

Page

Precautionary Measures for the 2022 Annual General Meeting	1
Definitions	3
Letter from the Board	5
Appendix I – Explanatory Statement	11
Appendix II – Details of Directors Proposed for Re-election	14
Notice of Annual General Meeting	18

Accompanying documents:

- (i) Form of Proxy
- (ii) 2022 Annual Report

PRECAUTIONARY MEASURES FOR THE 2022 ANNUAL GENERAL MEETING

To safeguard the health and safety of the 2022 AGM attendees, the Company will implement the following precautionary measures at the 2022 AGM: –

Voting by proxy in advance of the 2022 AGM: The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of Shareholders, the Company reiterates that Shareholders are strongly encouraged to exercise their right to vote at the 2022 AGM by appointing the Chairman of the 2022 AGM as their proxy instead of attending the 2022 AGM in person. **Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the 2022 AGM or any adjournment thereof should they subsequently so wish.**

The deadline to submit completed form of proxy is Monday, 11 July 2022 at 3:30 p.m. Completed form of proxy must be returned to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Shareholders are reminded that physical attendance is not necessary for the purpose of exercising Shareholders' rights. They are strongly encouraged to exercise their rights and indicate how they would like the proxy to vote on their behalves by submitting a form of proxy to appoint the Chairman of the 2022 AGM as their proxy for voting. The Company would like to further remind the Shareholders that they should carefully consider the risks of attending the 2022 AGM, taking into account of their own personal circumstances.

To comply with the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F of the Laws of Hong Kong) and the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) (the "Regulations") and to safeguard the health and safety of the attendees, the Company will also implement the following measures at the 2022 AGM: –

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the entrance of Jade & Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong ("AGM venue"). Any person with a body temperature of over 37.3 degrees Celsius or is exhibiting flu-like symptoms may be denied entry into the AGM venue and be requested to leave the AGM venue. Please note that any person who is subject to health quarantine prescribed by the Hong Kong Government or self-quarantine in relation to COVID-19, or has close contact with any person under quarantine will not be admitted to the AGM venue.
- (2) Every attendee will be required to wear a surgical face mask throughout the 2022 AGM and sit at a distance from other attendees. Please note that no masks will be provided at the AGM venue and the attendees should wear their own masks.
- (3) Every attendee will be required to scan the "LeaveHomeSafe" venue and vaccination record QR codes as well as to comply with the requirements of the Vaccine Pass Direction, prior to entry into the AGM venue.

PRECAUTIONARY MEASURES FOR THE 2022 ANNUAL GENERAL MEETING

- (4) Every attendee will be assigned a designated seat at the time of registration to ensure appropriate social distancing. The number of seats in the Jade & Lotus Room or partitioned room(s) on Level 6 of Marco Polo Hongkong Hotel will be limited to ensure social distancing. In view of this, there is a possibility that some Shareholders will be directed to be seated at another partitioned room(s) situated on Level 6 of Marco Polo Hongkong Hotel with video and audio link facilities. In order to comply with the Regulations, the Company may limit the number of attendees at the 2022 AGM as may be necessary to avoid over-crowding and possibly not all attendees could be accommodated.
- (5) Any attendee who declines to adhere to any of the abovementioned measures or cooperate with hotel or Company staff will be refused admission to the AGM venue.
- (6) No gifts, refreshments or drinks will be provided to attendees at the 2022 AGM.
- (7) Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

Please note that voting boxes will be arranged outside and inside the AGM venue. Shareholders are encouraged to place their completed voting papers into the voting boxes.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue so as to ensure the health and safety of the attendees at the 2022 AGM.

Appointment of proxy by Non-registered Shareholders: Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited are strongly encouraged to consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

If Shareholders have any questions relating to the 2022 AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990
Enquiries: www.computershare.com/hk/en/online_feedback

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may implement additional measures which will be announced closer to the date of the 2022 AGM. Shareholders should check the Company's website at www.vtech.com or the website of the Stock Exchange at www.hkexnews.hk for further announcements and updates on the 2022 AGM arrangements.

DEFINITIONS

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

“2021 AGM”	the annual general meeting of the Company for the year ended 31 March 2021 held on 13 July 2021;
“2022 AGM”	the annual general meeting (or any adjournment or postponement thereof) of the Company for the year ended 31 March 2022 to be held on Wednesday, 13 July 2022 at 3:30 p.m. (Hong Kong time);
“2022 Annual Report”	annual report of the Company for the year ended 31 March 2022;
“AGM Notice”	the notice convening the 2022 AGM, which is set out on pages 18 to 22 of this Circular;
“associate(s)”	has the meaning given to that term in the Listing Rules;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors;
“Circular”	the Circular to the Shareholders dated 9 June 2022;
“close associate(s)”	has the meaning given to that term in the Listing Rules;
“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;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	has the meaning ascribed to it under the section headed “3. General Mandate to Issue New Shares” in the “Letter from the Board” contained in this Circular;
“Latest Practicable Date”	2 June 2022, being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information included herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nomination Committee”	the nomination committee of the Company;

DEFINITIONS

“Remuneration Committee”	the remuneration committee of the Company;
“Repurchase Mandate”	has the meaning ascribed to it under the section headed “2. General Mandate to Repurchase Shares” in the “Letter from the Board” contained in this Circular;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of Share(s);
“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; and
“US\$”	United States of America dollars, the lawful currency of the United States of America.

LETTER FROM THE BOARD



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

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Director:

William WONG Yee Lai

Principal Office in Hong Kong:

23rd Floor, Tai Ping Industrial Centre

Block 1, 57 Ting Kok Road

Tai Po, New Territories

Hong Kong

Independent Non-executive Directors:

William FUNG Kwok Lun

KO Ping Keung

Patrick WANG Shui Chung

WONG Kai Man

9 June 2022

To the Shareholders,

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

1. INTRODUCTION

The purpose of this Circular is to seek your approval on proposals to (i) grant general mandates to repurchase Shares and to issue new Shares; and (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 2022 AGM.

2. GENERAL MANDATE TO REPURCHASE SHARES

The previous general mandate granted to the Directors at the 2021 AGM to exercise the powers of the Company to repurchase Shares will expire at the 2022 AGM.

LETTER FROM THE BOARD

At the 2022 AGM, Resolution 5 set out in the AGM Notice will be proposed at the 2022 AGM as an ordinary resolution pursuant to which the Directors will be granted a general and unconditional mandate to exercise the powers of the Company to repurchase issued Shares subject to the criteria set out in the said Resolution 5 (the “Repurchase Mandate”). The authority relates only to repurchases made on the Stock Exchange and otherwise in accordance with the Listing Rules. The Repurchase Mandate covers repurchases made or agreed to be made only during the period ending on the earlier of (i) the conclusion of the annual general meeting of the Company to be held in 2023, or (ii) the authority given under the said Resolution 5 is revoked or varied by an ordinary resolution of the Shareholders in general meeting. The explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in Appendix I to this Circular.

The full text of the ordinary resolution to be proposed at the 2022 AGM in relation to the Repurchase Mandate is set out in Resolution 5 on pages 18 to 19 in the AGM Notice of this Circular.

3. GENERAL MANDATE TO ISSUE NEW SHARES

The previous general mandate granted to the Directors at the 2021 AGM to exercise the powers of the Company to allot, issue and deal with Shares will expire at the 2022 AGM.

The Directors are aware of the investors’ concern on the possible dilution of shareholding interests resulting from the exercise of the general mandate to issue new Shares. Accordingly, the Directors propose, as in previous years, to limit the general mandate to 10% (rather than 20% as allowed by the Listing Rules) of the aggregate nominal amount of the share capital of the Company in issue at the date the resolution is passed (the “Issue Mandate”). In addition, any Shares to be allotted and issued (whether wholly or partly for cash or otherwise) under the Issue Mandate shall not be issued at a discount of more than 10% to the “Benchmarked Price” (as described under Rule 13.36(5) of the Listing Rules and defined in Resolution 6 set out in the AGM Notice) (rather than 20% as limited under the Listing Rules). As at the Latest Practicable Date, there were in issue an aggregate of 252,379,133 Shares. On the basis that no further new Shares will be issued or repurchased prior to the 2022 AGM, the Company would be allowed to allot, issue and deal with a maximum of 25,237,913 further new Shares.

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to issue Shares for flexibility in raising capital or other strategic needs that may arise from time to time.

The authority of the Directors to allot and issue new Shares pursuant to the said Resolution 6 shall expire on the earlier of (i) the conclusion of the annual general meeting of the Company to be held in 2023, or (ii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

The full text of the ordinary resolution to be proposed at the 2022 AGM in relation to the Issue Mandate is set out in Resolution 6 on pages 19 to 21 in the AGM Notice of this Circular.

LETTER FROM THE BOARD

4. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 112(A) of the Bye-laws of the Company, Dr. Allan WONG Chi Yun, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man shall retire from the Board as Directors by rotation at the 2022 AGM and, being eligible, shall offer themselves for re-election. Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man shall seek for re-election as independent non-executive Directors.

In March 2022, having reviewed the structure, size and diversity of the Board, the Nomination Committee recommended Dr. Allan WONG Chi Yun, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man to the Board for the Board to recommend to the Shareholders for the re-election of the aforementioned Directors at the 2022 AGM. Dr. Allan WONG Chi Yun, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man, all being the members of the Nomination Committee, abstained from voting at the meeting of Nomination Committee when their own nomination was being considered. The recommendations were made in accordance with the Nomination Policy and the Board Diversity Policy of the Company. These include, among others, the proposed Director's knowledge and experience, reputation for integrity, time commitment to the Company's business, and the diversity aspects (including but not limited to gender, age, cultural and educational background, skills, knowledge, industry and professional experience, independence and length of service), with due regard for the benefit of diversity of the Board, as set out in the Board Diversity Policy. The Nomination Policy and the Board Diversity Policy of the Company are set out in the "Corporate Governance Report" of the 2022 Annual Report.

The Nomination Committee and the Board had also taken into account the respective contributions to the Board of the two independent non-executive Directors and their firm commitments to their independent roles. Dr. Patrick WANG Shui Chung has vast international experiences with extensive knowledge in the manufacturing industry and a deep understanding of the environment in which the Company operates, which enable him to provide valuable insight and advice to the Board and the Company. Mr. WONG Kai Man's strong finance, accounting and tax expertise and his firm commitment to his independent role enable him to provide key strategic guidance to the Board and the Company in areas such as financial review, risk management, compliance and internal control. The wide breadth of knowledge and diversity of their experiences make each of Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man, the retiring independent non-executive Directors, invaluable members of, and active contributors to, the Board.

The Nomination Committee has conducted an assessment on the independence of all independent non-executive Directors of the Company, and in particular, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man. The Nomination Committee and the Board were satisfied with the independence of each of Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man with reference to the criteria set out in Rule 3.13 of the Listing Rules. Each of Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man has given an annual confirmation of his independence to the Company. Moreover, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man do not hold any cross-directorship or have any significant links with other Directors through involvement in other companies or bodies that could give rise to conflicts of interest in their roles as independent non-executive Directors and they are not involved in the daily management of the Company nor in any relationships or circumstances which would interfere with the exercise of their independent judgement.

LETTER FROM THE BOARD

The Nomination Committee was satisfied that each of Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man has the required character, integrity and experience to fulfill the role of an independent non-executive Director. Notwithstanding that Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man have served on the Board for more than nine years, the Nomination Committee and the Board are of the view that this does not and would not affect the exercise of their independent judgement as each of them has been providing objective views and independent opinions to the Company over the years. In addition, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man have shown devotion and commitment to the Board that they are able to devote sufficient time and attention to the Company's affairs and confirm that they will continue to demonstrate their commitment to their roles.

The Board, based on the recommendation of the Nomination Committee, believes that each of Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man continues to be independent and provides invaluable and independent advice to the Board through his extensive knowledge and experience that enhance the diversified representation of the Board.

All the Directors offering themselves for re-election have provided valuable advice and contributed their respective experience and expertise to the Board and the Company. In view of their invaluable experience and their commitment to their roles, the Board believes that their re-elections are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends them to stand for re-election at the 2022 AGM. Further information about the Board's composition, Board's skills and experience, and the attendance record of the retiring Directors for the Board meetings held during the year ended 31 March 2022 are disclosed in the "Board Composition", "Board Skills and Experience" and "Board, Board Committees and Shareholders' Meetings" under the "Corporate Governance Report" of the 2022 Annual Report.

Details of each of the retiring Directors proposed for re-election at the 2022 AGM are set out in Appendix II to this Circular.

Under Resolution 3 set out in the AGM Notice, the re-election of Directors will be individually voted on by the Shareholders.

LETTER FROM THE BOARD

5. FEES TO DIRECTORS

In relation to Resolution 3(d) as set out in the AGM Notice regarding the fixing of the Directors' fees (including the additional fees payable to the chairman and members of the Audit Committee, the Nomination Committee and the Remuneration Committee) for the year ending 31 March 2023, the proposed fees to the Directors for their service on the Board and, where applicable, on the relevant Board committees, which remain the same as for the year ended 31 March 2022, are set out below:

	Current fee per annum for the year ended 31 March 2022	Proposed fee per annum for the year ending 31 March 2023
	<i>US\$</i>	<i>US\$</i>
Basic fee to each Director	35,000	35,000
Additional fees to:		
<i>Audit Committee</i>		
Chairman	10,000	10,000
Member (each)	5,000	5,000
<i>Nomination Committee</i>		
Chairman	5,000	5,000
Member (each)	3,000	3,000
<i>Remuneration Committee</i>		
Chairman	5,000	5,000
Member (each)	3,000	3,000

The proposed Directors' fees (including the additional fees payable to the chairman and each member of the Audit Committee, the Nomination Committee and the Remuneration Committee, respectively) for the year ending 31 March 2023 as set out above will be put forward at the 2022 AGM for Shareholders' approval.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. The Chairman will therefore, pursuant to Bye-law 75 of the Bye-laws of the Company, demand a poll for every resolution put to the vote of the 2022 AGM.

The results of the poll will be published on the websites of the Stock Exchange and the Company following the 2022 AGM.

LETTER FROM THE BOARD

7. NOTICE OF 2022 AGM

The AGM Notice is set out on pages 18 to 22 of this Circular.

A form of proxy is enclosed with this Circular for use at the 2022 AGM. The form of proxy can also be downloaded from the Company's website at www.vtech.com or the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the 2022 AGM, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the 2022 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM or any adjournment thereof if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked. No Shareholder is required to abstain from voting at the 2022 AGM.

8. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

9. RECOMMENDATIONS

The Directors consider that the Repurchase Mandate, the Issue Mandate, and the re-election of Directors are each in the best interests of the Company and its Shareholders as a whole and recommend the Shareholders to vote in favour of these resolutions to be proposed at the 2022 AGM.

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

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

Share Capital and Maximum Number of Shares that may be Repurchased

The maximum number of Shares that may be repurchased on the Stock Exchange pursuant to the Repurchase Mandate will be such number of Shares as represents 10% of the share capital of the Company in issue on the date of the 2022 AGM. As at the Latest Practicable Date, there were in issue an aggregate of 252,379,133 Shares. Subject to the passing of the relevant resolution approving the Repurchase Mandate to repurchase Shares and on the basis that no Shares are issued or repurchased prior to the 2022 AGM, the Company would be permitted under the Repurchase Mandate to repurchase a maximum of 25,237,913 Shares. The mandate relates only to repurchases of Shares which are fully paid up.

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 into account the 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 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 statement of financial position of the Group as at 31 March 2022 (being the date to which the latest published audited consolidated financial statements of the Group have been made up) and in particular the working capital position of the Group 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 Group 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 Group 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. Repurchases of Shares must be financed out of funds legally available for such purpose in 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 repaid 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, or from the proceeds of a new 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 no later than 8:30 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, all applicable Bermuda laws, and the Memorandum of Association and Bye-laws of the Company.

Disclosure of Interests

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the close associates 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, to sell Shares to the Company.

No persons who are core connected persons 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, Dr. Allan WONG Chi Yun is deemed interested in 92,726,066 Shares (including, among other things, the deemed interest in 74,101,153 Shares held directly and indirectly by the trustee of a discretionary trust in which Dr. Allan WONG Chi Yun is the founder. Mr. William WONG Yee Lai also had a deemed interest in 74,101,153 Shares by virtue of him being one of the discretionary beneficiaries of the aforementioned discretionary trust), representing approximately 36.74% 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, the percentage shareholding of Dr. Allan WONG Chi Yun (including interests held directly and indirectly by the trustee of a discretionary trust in which Dr. Allan WONG Chi Yun is the founder, and accordingly is deemed interested under the SFO) would increase to approximately 40.82% in the issued share capital of the Company, such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not have any 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
June	84.30	77.20
July	84.00	72.90
August	78.80	72.05
September	78.95	56.35
October	61.80	56.30
November	65.95	59.70
December	65.20	56.50
2022		
January	63.70	60.10
February	66.00	61.85
March	64.30	50.35
April	58.85	53.70
May	58.80	53.00
June, up to the Latest Practicable Date	60.30	58.65

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

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.

The followings are the details of the retiring Directors proposed to be re-elected at the 2022 AGM:

Allan WONG Chi Yun, GBS, MBE, JP (Age 71)

Director since	:	4 July 1989
Positions held with the Group	:	Executive Director, Chairman, Group Chief Executive Officer Nomination Committee (Member) Risk Management and Sustainability Committee (Chairman)
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	92,726,066 Shares (long position)
Emoluments received for the year ended 31 March 2022	:	US\$3.8 million* (including the current basic director's fee of US\$35,000 per annum and the current additional fee of US\$3,000 as a member of Nomination Committee per annum)

Dr. Allan WONG Chi Yun 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, Madison and an Honorary Doctorate of Technology from The Hong Kong Polytechnic University. He is the deputy chairman and an independent non-executive director of The Bank of East Asia, Limited and an independent non-executive director of China-Hongkong Photo Products Holdings Limited. He was an independent non-executive director of MTR Corporation Limited (2015-2020) and Li & Fung Limited (1999-2020). Save as disclosed above, Dr. Allan WONG Chi Yun did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Dr. Allan WONG Chi Yun holds directorships in certain subsidiaries of the Company. Dr. Allan WONG Chi Yun is the father of Mr. William WONG Yee Lai, a Non-executive Director of the Company. Dr. Allan WONG Chi Yun is also the founder of a discretionary trust which holds 74,101,153 Shares within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Allan WONG Chi Yun has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. 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 the Directors" in the 2022 Annual Report.

There is no service contract entered into between Dr. Allan WONG Chi Yun and the Company or any of its subsidiaries that is not determinable 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 annual general meeting of the Company in accordance with the Bye-laws of the Company. Dr. Allan WONG Chi Yun is entitled to a Director's fee as approved from time to time by the Shareholders at the annual general meeting of the Company, pro rata to his length of service during the year. In addition to the Director's fee, Dr. Allan WONG Chi Yun is also entitled to salaries, allowances and benefits in kind, based on his other roles and responsibilities within the Group and, discretionary bonus and share-based payment which are to be determined based on, among other things, the performance of the Group. The amount of emoluments will be subject to annual review by the Remuneration Committee of the Company with reference to his scope of responsibilities, the prevailing market conditions and the results of the Company.

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

* *Details of Dr. Allan WONG Chi Yun's emoluments for the year ended 31 March 2022 are set out in note 3 to the consolidated financial statements in 2022 Annual Report.*

Patrick WANG Shui Chung, SBS, JP (Age 71)

Director since	:	28 November 2001
Positions held with the Group	:	Independent Non-executive Director Audit Committee (Member) Nomination Committee (Member) Remuneration Committee (Chairman)
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	162,000 Shares (long position)
Emoluments received for the year ended 31 March 2022	:	US\$35,000 (Current basic director's fee per annum) US\$5,000 (Current additional fee as member of the Audit Committee per annum) US\$3,000 (Current additional fee as member of the Nomination Committee per annum) US\$5,000 (Current additional fee as chairman of the Remuneration Committee per annum)

Dr. Patrick WANG Shui Chung obtained his Bachelor of Science and Master of Science degrees in Electrical Engineering and received an Honorary Doctorate of Engineering from Purdue University in Indiana, USA. Dr. Patrick WANG Shui Chung is currently the chairman and chief executive of Johnson Electric Holdings Limited and a non-executive director of Tristate Holdings Limited. He is also a member of the Clinical Governance Committee of the Hong Kong Sanatorium & Hospital Limited. Save as disclosed above, Dr. Patrick WANG Shui Chung did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Dr. Patrick WANG Shui Chung does not hold other positions in the Group. Dr. Patrick WANG Shui Chung has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Patrick WANG Shui Chung has not entered into any service contract with the Company. Dr. Patrick WANG Shui Chung is proposed to be appointed for a term of three years and be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Dr. Patrick WANG Shui Chung is entitled to receive a Director's fee as approved from time to time by the Shareholders at the annual general meeting of the Company, pro-rata to his length of service during the year. The amount of his Director's fee has been determined by the Board of the Company with reference to his scope of responsibilities and the prevailing market conditions.

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

WONG Kai Man, BBS, JP (Age 71)

Director since	:	19 September 2012
Positions held with the Group	:	Independent Non-executive Director Audit Committee (Chairman) Nomination Committee (Member) Remuneration Committee (Member) Risk Management and Sustainability Committee (Member)
Interests in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date	:	Nil
Emoluments received for the year ended 31 March 2022	:	US\$35,000 (Current basic director's fee per annum) US\$10,000 (Current additional fee as chairman of the Audit Committee per annum) US\$3,000 (Current additional fee as member of the Nomination Committee per annum) US\$3,000 (Current additional fee as member of the Remuneration Committee per annum)

Mr. WONG Kai Man holds a Bachelor of Science degree in Physics from The University of Hong Kong and an MBA degree from The Chinese University of Hong Kong. He is a fellow of the Association of Chartered Certified Accountants, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. WONG Kai Man is a retired audit partner of PricewaterhouseCoopers with 32 years of professional accounting experience. He was a member of the Growth Enterprise Market Listing Committee of The Stock Exchange of Hong Kong Limited (1999-2003), a non-executive director of the Securities and Futures Commission (2009-2015) and a member of the Financial Reporting Council (1 December 2014-30 September 2021). He is currently an independent non-executive director of SUNeVision Holdings Limited. Mr. WONG Kai Man also serves on the boards of a number of non-governmental organisations. Save as disclosed above, Mr. WONG Kai Man did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. WONG Kai Man does not hold other positions in the Group. Mr. WONG Kai Man has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. WONG Kai Man has not entered into any service contract with the Company. Mr. WONG Kai Man is proposed to be appointed for a term of three years and be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. WONG Kai Man is entitled to receive a Director's fee as approved from time to time by the Shareholders at the annual general meeting of the Company, pro-rata to his length of service during the year. The amount of his Director's fee has been determined by the Board of the Company with reference to his scope of responsibilities and the prevailing market conditions.

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

NOTICE OF ANNUAL GENERAL MEETING



VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 303)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “2022 AGM”) of the shareholders of VTech Holdings Limited (the “Company”) will be held at Jade & Lotus Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 13 July 2022 at 3:30 p.m. (Hong Kong time) for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “Director(s)”) and the auditor of the Company (the “Auditor”) for the year ended 31 March 2022.
2. To consider and declare a final dividend in respect of the year ended 31 March 2022.
3.
 - (a) To re-elect Dr. Allan WONG Chi Yun as an executive Director.
 - (b) To re-elect Dr. Patrick WANG Shui Chung as an independent non-executive Director.
 - (c) To re-elect Mr. WONG Kai Man as an independent non-executive Director.
 - (d) To fix the Directors’ fees (including the additional fees payable to chairman and members of the audit committee, the nomination committee and the remuneration committee of the Company) for the year ending 31 March 2023, pro rata to their length of services during the year.
4. To re-appoint KPMG as the Auditor and authorise the board of Directors to fix its remuneration.

SPECIAL BUSINESS

Resolutions 5 and 6 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 the powers of the Company during the Relevant Period (as defined below) to repurchase ordinary shares of US\$0.05 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “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 Stock Exchange be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the shares (equivalent to a maximum of 25,237,913 shares) 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;
- (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 being revoked or varied by an ordinary resolution of the 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 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 the powers of the Company during the Relevant Period (as defined below) 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 pursuant to the approval in paragraph (a) above, other than 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 an 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 allotted and/or issued by the Directors pursuant to:
 - (i) a rights issue where shares are offered for a fixed period to the shareholders in proportion to their then holdings of shares on a fixed record date (subject to such exclusion 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) any shares to be allotted and issued (whether wholly or partly for cash or otherwise) pursuant to the approval in paragraph (a) above shall not be issued at a discount of more than 10% to the "Benchmarked Price" of such Shares except that this provision shall not apply to the allotment and issuance of shares pursuant to the share purchase scheme adopted by the Company on 30 March 2011 as amended from time to time;
- (e) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors; and
- (f) for the purposes of this Resolution:

"Benchmarked Price" means the higher of:

- (i) the closing price of the shares of the Company as quoted on Stock Exchange on the date of the agreement involving the relevant proposed issue of shares of the Company under this Resolution; and
- (ii) the average closing price as quoted on Stock Exchange of the shares of the Company in the five (5) trading days immediately preceding the earlier of the date: (1) of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company under this Resolution; (2) of the agreement involving the relevant proposed issue of shares of the Company under this Resolution; and (3) on which the price of shares of the Company that are proposed to be issued is fixed;

NOTICE OF ANNUAL GENERAL MEETING

“Relevant Period” means the period from the passing of this Resolution until 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.”

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

Hong Kong, 9 June 2022

Notes:

1. At the 2022 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 instead of member. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2022 AGM or any adjournment thereof if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.
3. To be valid, the form of proxy must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the 2022 AGM or any adjournment thereof.
4. In the case of joint holders of a share, any one of such joint holders may vote at the 2022 AGM, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto. However, if more than one of such joint holders are present at the 2022 AGM, either personally or by proxy, the joint holder whose name stands first in the register of members of the Company shall alone be entitled to vote.
5. The register of members of the Company will be closed for the following periods:
 - (a) For the purpose of determining shareholders who are entitled to attend and vote at the 2022 AGM, the register of members of the Company will be closed from 8 July 2022 to 13 July 2022 (both days inclusive), during which no transfer of shares will be effected. The shareholders whose names appear on the register of members of the Company on 13 July 2022 are entitled to attend and vote at the 2022 AGM following completion of the registration procedures for share transfers. In order to be entitled to attend and vote at the 2022 AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the principal share registrar of the Company, MUFG Fund Services (Bermuda) Limited of 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda, or the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (local time of the relevant share registrar) on 7 July 2022.

NOTICE OF ANNUAL GENERAL MEETING

- (b) For the purpose of determining shareholders who are qualified for the final dividend, the register of members of the Company will be closed on 19 July 2022, during which no transfer of shares will be effected. The shareholders whose names appear on the register of members of the Company on 19 July 2022 are qualified for the final dividend following completion of the registration procedures for share transfers. In order to qualify for the final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the principal share registrar of the Company, MUFG Fund Services (Bermuda) Limited of 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda, or the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (local time of the relevant share registrar) on 18 July 2022.
6. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 12:00 noon on the date of the meeting, the meeting will be adjourned. The Company will post an announcement on the Company’s website at www.vtech.com and the website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and place of the adjourned meeting.
7. Shareholders are strongly encouraged to note the COVID-19 precautionary measures and special arrangements to be implemented at the 2022 AGM which are set out in the cover page and the section headed under “Precautionary Measures for the 2022 AGM” in the Company’s circular dated 9 June 2022 and that no gifts, refreshments or drinks will be provided. Shareholders are strongly encouraged to appoint the Chairman of the 2022 AGM as their proxy for voting and submit their form of proxy as early as possible.