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## **VTech Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 303)**

### **BUSINESS PERFORMANCE UPDATE**

This announcement is made by VTech Holdings Limited (“VTech” or the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is scheduled to report its financial results for the year ended 31 March 2019 in May 2019. This business performance update statement aims at providing timely dissemination of information to the shareholders of the Company (the “Shareholders”) and the investment community.

#### **Business Performance Update**

As per the half-year results announcement of the Company (issued on 12 November 2018) for the six months ended 30 September 2018, Group revenue decreased by 3.5% to US\$1,003.5 million. Profit attributable to Shareholders declined by 13.0% to US\$90.1 million.

The Chairman’s Statement issued together with the half-year results announcement noted that the Group expected sales of telecommunication products to pick up in the second half of the financial year 2019, although full year revenue of telecommunication products is projected to be lower than the previous financial year.

Based on the preliminary assessment of the unaudited consolidated management accounts for the financial year ended 31 March 2019 and the information currently available, the Company’s board of directors (the “Board”) wishes to inform the Shareholders and potential investors that the unaudited profit attributable to the Shareholders for the year ended 31 March 2019 is expected to decline by 15% to 20% as compared to the previous financial year. It was mainly due to lower-than-anticipated sales of telecommunication products in the second half of the financial year 2019.

Despite this, the Group’s financial position remains robust as our operations continue to generate strong cash flow.

## Cautionary Statement

Shareholders and potential investors are reminded that the information provided in this announcement is based on the preliminary assessment made by the Board based on the current information available to the Company and has not been audited or reviewed by the Company's independent auditor. The Company's audited consolidated results for the year ended 31 March 2019 are expected to be announced in May 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 April 2019

*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 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.*

*<https://www.vtech.com/en/investors/>*