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VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 303)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by VTech Holdings Limited (“VTech” or the “Company”, together with its subsidiaries, the “Group”) pursuant to Rules 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company wishes to inform that Toys“R”Us, Inc. (“Toys“R”Us”), who is one of the Group’s five largest customers for the financial year ended 31 March 2017, has filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code together with its certain U.S. subsidiaries and under Canada Companies’ Creditors Arrangement Act for its Canadian subsidiary (the “Bankruptcy Protection Proceedings”). Toys“R”Us subsidiaries in Asia, Australia and Europe are not part of the Bankruptcy Protection Proceedings. Toys“R”Us has indicated that they intend to continue to operate as usual during the Bankruptcy Protection Proceedings.

The Group’s sales to-date to Toys“R”Us have been covered by credit insurance. The Company will ensure that the payment of future supply of the products to Toys“R”Us will be secured. At the moment, sales to Toys“R”Us is expected to decline and the Company is assessing its potential impact to the future business. However, the Company does not expect any material adverse effect on the Group’s financial position.

The Company will continue to monitor the situation closely and will inform the shareholders of any significant development in accordance with the Listing Rules.

Cautionary Statement

Shareholders and potential investors of VTech are reminded that the outlook information provided in this announcement is based on the preliminary assessment of the currently available information by the Group’s management. Further, the Company’s current financial period has not ended. None of the information contained in this announcement has been reviewed or audited by or discussed with the Group’s auditor. Financial information of the Group for the six months ended 30 September 2017 will be disclosed in the Company’s interim results announcement and the same is expected to be published in November 2017.

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

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

Hong Kong, 20 September 2017

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, Dr. Patrick WANG Shui Chung and Mr. WONG Kai Man.

<http://www.vtech.com/en/investors/>