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## **VTech Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 303)**

### **VOLUNTARY ANNOUNCEMENT IMPACT OF NOVEL CORONAVIRUS (COVID-19) ON BUSINESS AND OPERATIONS**

This announcement is made by VTech Holdings Limited (“VTech” or the “Company”, together with its subsidiaries, the “Group”), on a voluntary basis.

Since the outbreak of the novel coronavirus (COVID-19) (the “Coronavirus”), a number of provinces and municipalities in the People’s Republic of China (“mainland China”) have taken emergency public health measures and various actions to prevent the spread of the Coronavirus. The Group has put in place a comprehensive set of precautionary measures and guidelines to ensure the health and safety of its employees and business partners.

Following the end of the extended Chinese New Year holiday on 10 February 2020, work has begun resuming in phases in our mainland China factories. We are experiencing a slower-than-usual return to normal conditions, as many workers around the country have delayed returning to work. In addition, many of our suppliers in mainland China did not resume work immediately following the extended Chinese New Year holiday, leading to disruption in the supply chain.

While we have started to ramp up our manufacturing activities, based on the current available information, we anticipate seeing a loss of around 1/3 of our production capacities in mainland China in the first three months of 2020. Historically, the first three months of the calendar year are a low-shipment quarter for the Group’s business. Consequently, the Group revenue for the financial year ending 31 March 2020 is forecast to be at the similar level as the financial year 2019, which is lower than previously expected as per the half-year results announcement of the Group issued on 11 November 2019.

We expect our factories in mainland China will return to normal production capacity in April 2020, subject to the development of the Coronavirus and the resumption of the supply chain.

VTech has solid fundamentals, with a strong balance sheet and market leadership. We are well placed to navigate through this uncertain and complex environment.

## Cautionary Statement

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**  
**Allan WONG Chi Yun**  
*Chairman*

Hong Kong, 6 March 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.*

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