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VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 303)

PROFIT WARNING

This announcement is made by VTech Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the “Listing Rules”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The Board of Directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the Group expects to report a 15% to 20% decrease in profit attributable to shareholders of the Company for the year ending 31 March 2023, as compared to the reported profit of US\$172.7 million for the financial year 2022.

The Board considers that the decline in profit in the second half of the financial year 2023 is mainly due to the following factors:

- Lower-than-expected sales of electronic learning products and telecommunication products as a result of a more challenging macro-economic environment in North America and Europe
- Higher-than-expected advertising and promotional spend to ensure healthy sell-through for electronic learning products during the holiday seasons in 2022

Despite the above, the Group’s financial position remains strong.

The information contained in this announcement represents a preliminary assessment based on the information currently available to the Board and such information has not been reviewed by the independent auditor of the Company. The Company is still in the process of collecting information and has not finalized its accounts, nor has it begun to prepare its annual results, which are subject to review and assessment by the Audit Committee, the Board and the independent auditor of the Company before publication. Therefore, the Group’s annual results for the year ending 31 March 2023 may be different from the information set out in this announcement. Shareholders and potential investors of the Company are advised to refer to the Group’s annual results announcement which is expected to be published in May 2023.

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, 22 February 2023

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/