

FOR IMMEDIATE RELEASE

VTech to Acquire Manufacturing Facility from Pioneer Corporation

Hong Kong, 4 May 2018 – VTech Holdings Limited (HKSE: 303) announced today that it has signed an agreement with Pioneer Corporation under which VTech will acquire a manufacturing facility in Malaysia owned by Pioneer Technology (Malaysia) Sdn. Bhd., a subsidiary of Pioneer Corporation.

The acquisition of the manufacturing facility includes its fixed assets and business in manufacturing high performance audio equipment tailored for DJs, producers and artists to inspire their work and performance. This will strengthen VTech Contract Manufacturing Services' (CMS) leading position as a manufacturer of professional audio equipment. It also adds 25% to its manufacturing capacity, with further potential for expansion.

“This acquisition will further enhance VTech CMS’s expertise in professional audio equipment,” said Andy Leung, CEO of Contract Manufacturing Services. “As part of our strategic initiatives, the addition of a manufacturing site outside of China expands our global footprint in better serving the needs of our customers.”

VTech will fund the transaction through internal resources. The acquisition is expected to close in the third quarter of 2018 and is subject to certain closing conditions in the agreement.

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About VTech

VTech is the global leader in electronic learning products from infancy through toddler and preschool and the world's largest manufacturer of cordless phones. It also provides highly sought-after contract manufacturing services. Since its establishment in 1976, VTech has been a pioneer in the electronic learning toy category. With advanced educational expertise and cutting-edge innovation, VTech products provide fun and learning to children around the world. Leveraging decades of success in cordless telephony, VTech's diverse collection of telecommunication products elevates both home and business users' experience through the latest in technology and design. As one of the world's leading electronic manufacturing service providers, VTech offers world-class, full turnkey services to customers in a number of product categories. The Group's mission is to design, manufacture and supply innovative and high quality products in a manner that minimises any impact on the environment, while creating sustainable value for its stakeholders and the community. For more information, please visit www.vtech.com.

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