

FOR IMMEDIATE RELEASE

VTech to Acquire Mexican Manufacturing Facility from QSC, LLC

Addition of wood enclosure loudspeakers to professional audio range

Hong Kong, 20 January 2021 – VTech Holdings Limited (HKSE: 303) today announced that it has signed an agreement with QSC, LLC to acquire its production facility in Tecate, Mexico for manufacturing wood enclosure loudspeakers.

QSC, LLC is a globally-recognised leader in the design, engineering and manufacture of award-winning high-performance loudspeakers, digital mixers, power amplifiers, audio processors and digital cinema solutions. The acquisition of its production facility in Tecate, Mexico includes the fixed assets and business in manufacturing wood enclosure loudspeakers for the North American market. In addition to manufacturing QSC's range of wood enclosure loudspeakers, this acquisition will strengthen VTech Contract Manufacturing Services' (CMS) leading position as a manufacturer of professional audio equipment. It also brings new know-how and additional growth potential to VTech.

"VTech CMS is one of the world's leading EMS providers in the field of professional audio equipment. This acquisition will further enhance our expertise and product range in this area," said Andy Leung, CEO of Contract Manufacturing Services. "It is the latest step in our strategic initiative to expand our global footprint by investing in production facilities outside Asia to explore new areas of growth and better serve our customers."

The acquisition will be funded through internal resources. It is expected to close in the second quarter of 2021 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 largest manufacturer of cordless phones in the US. 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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