

9 June 2021

Mr Ronald Chan
Chief Investment Officer
Chartwell Capital Limited
Room 1702, New World Tower I
16-18 Queen's Road Central
Hong Kong

Dear Mr Chan,

Thank you for your letter which we have read with great interest. Your support for VTech is much appreciated and we are pleased that our ability to generate shareholder value has benefited you and your clients.

Your comments are insightful and in some ways reflect the Group's own thinking. I hope my feedback will increase your understanding of the direction in the matters you raise.

Being an Education Technology Solution Provider

It is true that relatively few of our products target children over 5 years old. Extending the age range of our products to 8 years or even older has always been a goal.

I fully agree that technology lends itself to products that engage children in learning STEM subjects and LeapFrog Academy offers games and activities specifically featuring these. We do not use acronyms like STEM more often in our marketing because they are not common outside the US. Furthermore, US retailers allocate almost no shelf space to STEM-designated products currently.

Technology applied to learning STEM topics is nonetheless one of the Group's directions and lends itself to driving our product offering to higher age ranges. In addition to in-house development, we are considering partnerships and further investments that could help in this regard.



Offering Education Solutions to Institutions

Turning to your second point, as you rightly say, one of LeapFrog's strengths is its Learning Content team of education specialists. We have been taking full advantage of this expertise for both brands, as well as expanding the team and its competencies.

In mainland China, we are actively seeking new distribution channels and already sell our ELPs via distributors to preschools and kindergartens. There is also active collaboration between our US and China Learning Content teams, which are working to integrate the new preschool curriculum into our product range for this market, the first such offering being our 4-in-1 Touch and Learn Activity Desk.

In North America and Europe, such curriculum-based programs are not as popular, but the experience we gain in China will be an important step towards branching out into these markets.

Once again, I wish to thank you for your valuable feedback. Please do not hesitate to contact Grace Pang, our Head of Corporate Marketing should you wish to explore things further.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Allan Wong", with a long, sweeping underline.

Allan Wong
Chairman
VTech Holdings Limited