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VTech Communications Ltd

VTech Group

About VTech Group

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Established in **1976** with headquarters in Hong Kong and state-of-the-art manufacturing facilities

3	14	25,300	1,600	#303
Core Businesses	Countries & Regions	Employees Worldwide	R&D Employees	HK Stock Exchange

Electronic Learning Products (ELP)

No.1
supplier of electronic learning toys from infancy through toddler and preschool globally

51.5 million
Million products shipped in FY2023

82 countries
countries selling the Group's ELPs in 28 languages

Telecommunication Products (TEL)

No.1
residential phones manufacturer in the US baby monitor brand in the US and Canada

13.1 million
million handsets shipped in FY2023

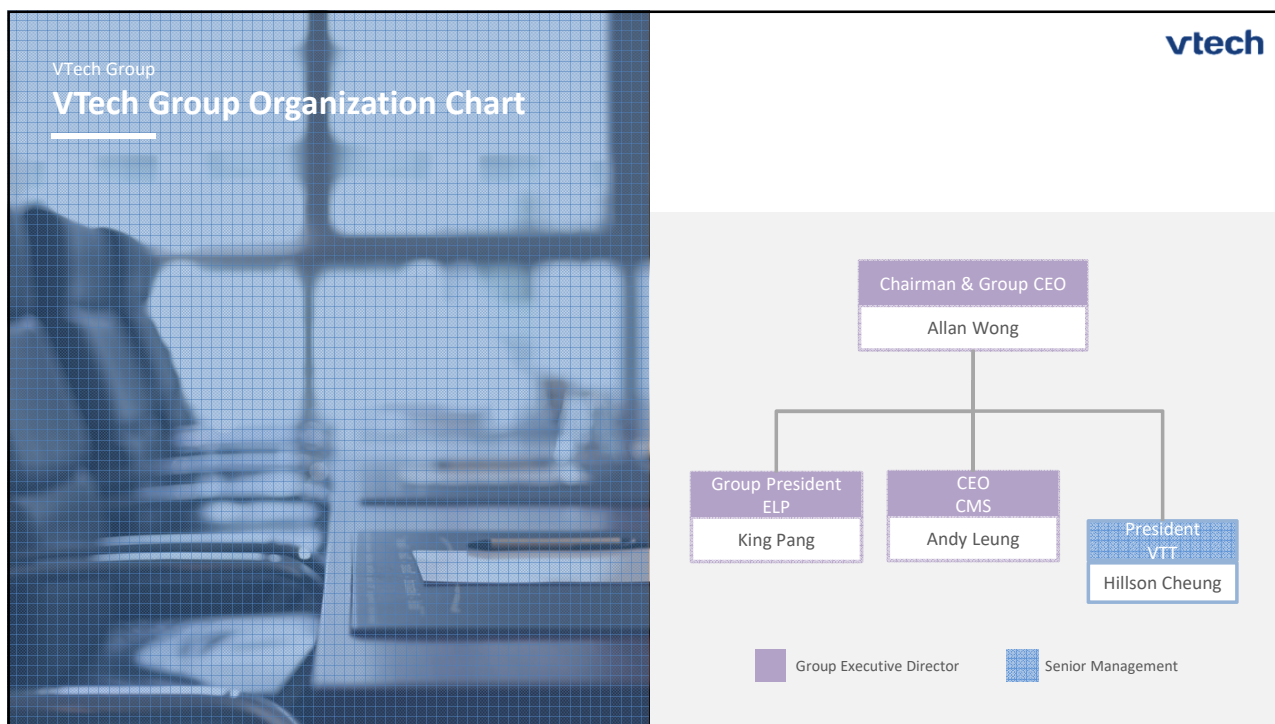
64 countries
countries selling the Group's TEL products

Contract Manufacturing Services (CMS)

No.1
EMS provider in Hong Kong

26th
among the world's top 50 EMS providers

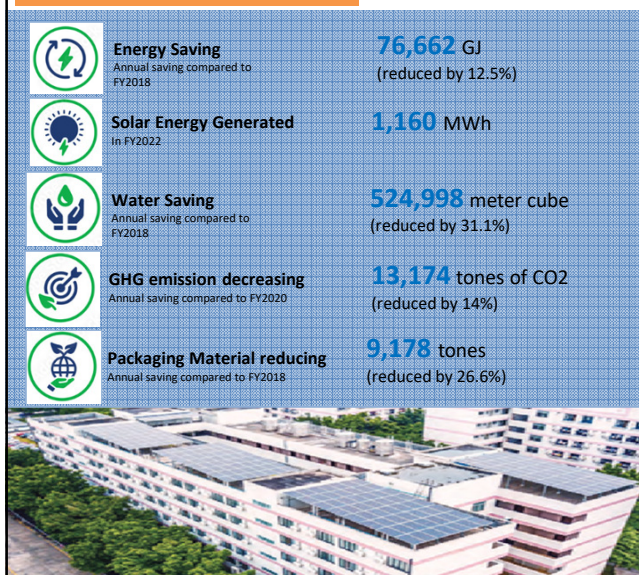
9x
best supplier awards received from customers in FY2024



VTech Group

Sustainability

Key performance data & achievement



Awards and Recognition



VTech Group

Financial performance

\$2,146M

Revenue
FY24

\$167M

Profit before tax
FY24

\$81.7M

R&D expenses
FY24

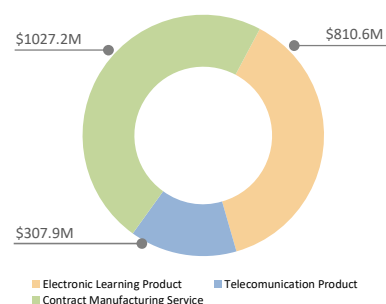
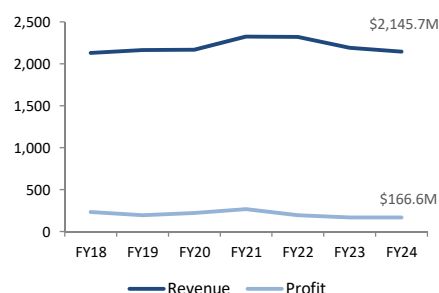
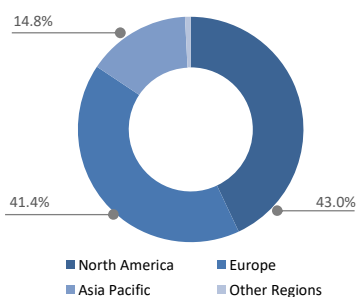
\$322M

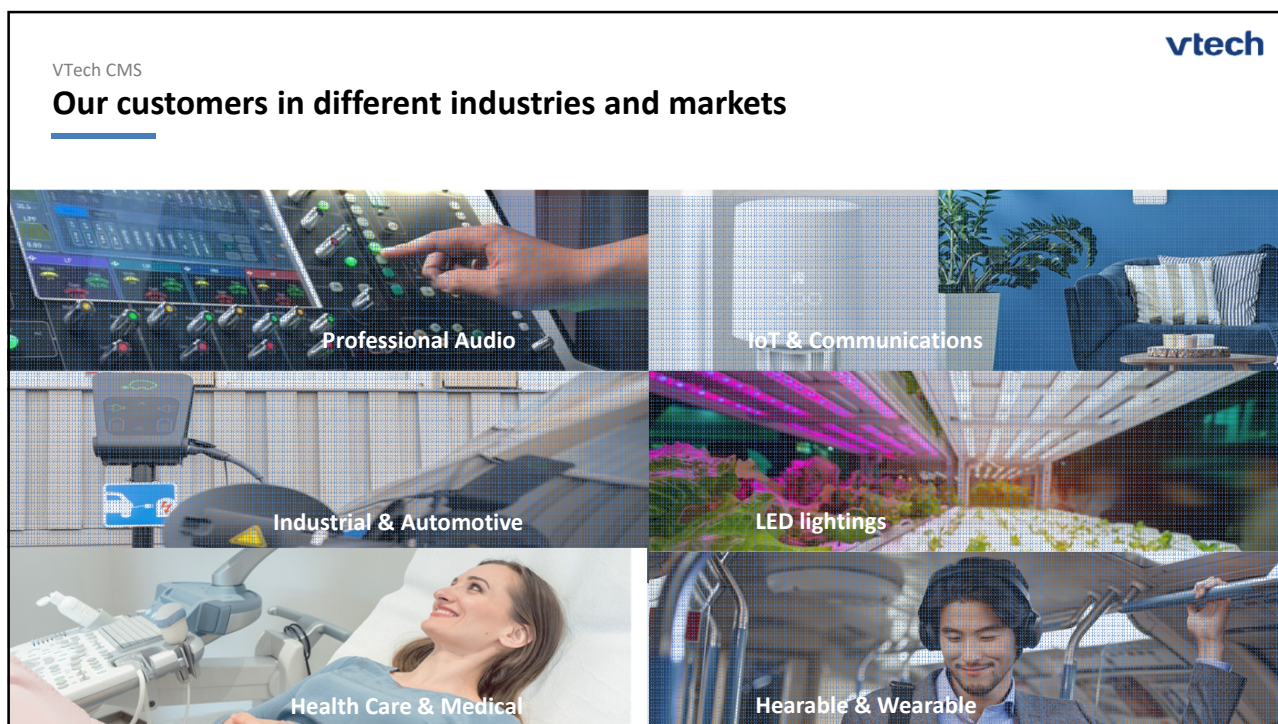
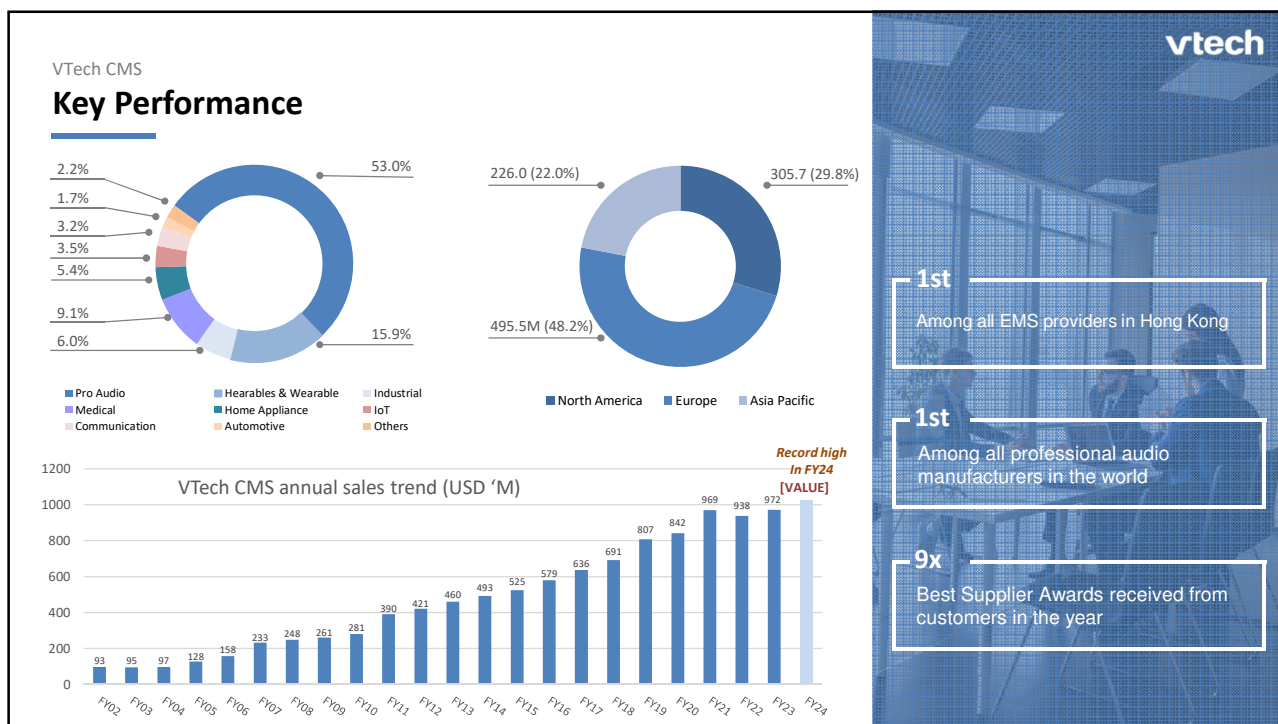
Cash on hand
FY24

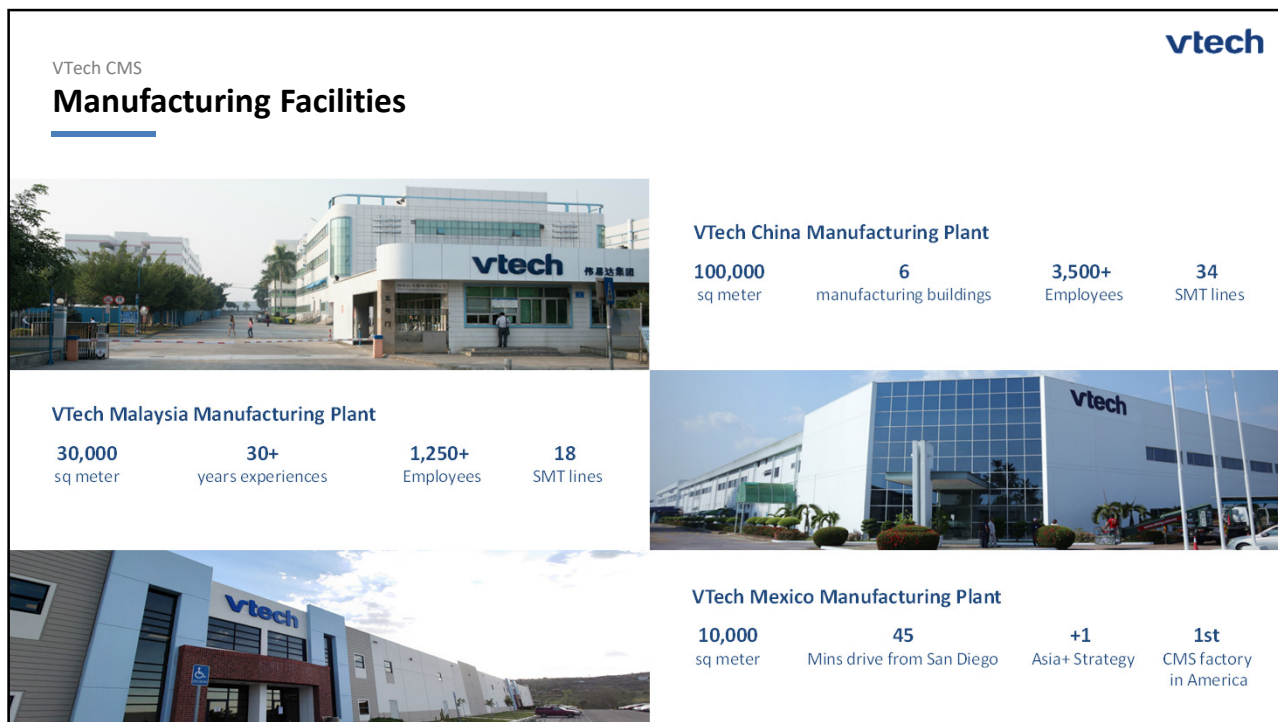
#303

HK Stock Exchange

*FY24 – Financial year of 2024 from 1st Apr, 2023 to 31st Mar, 2024







VTech CMS

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i4 Lab - Development of Industrie 4.0 in CMS

Global Vision of CMS i4

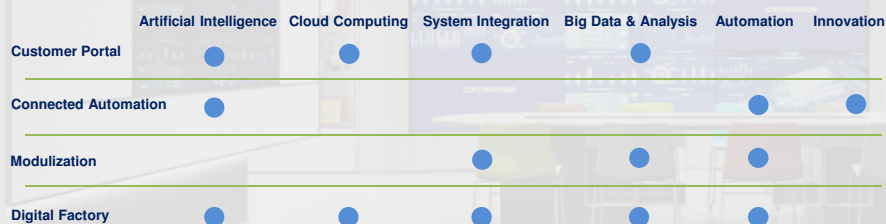
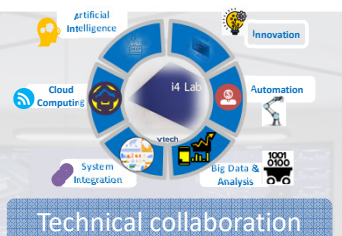
Pioneer on advance technology on both hardware and software

Automatic real time digital data

Informative data from Integrated production, equipment & quality connected

Continual data for judgement and prediction

Quick response and decision supporting with data analysis



Benefit to CMS & Customers

- Customized real time Informative data
- Performance monitoring and decision making
- Improved use of resources
- Increased flexibility
- Full traceability
- Global vision
- Sustainable operations



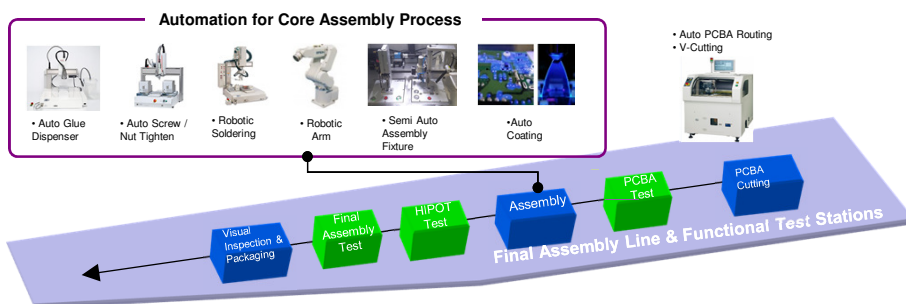
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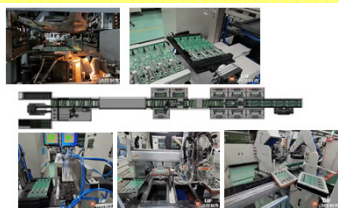
Automation

Automation is implemented into the production line after ramp up with the advantages of:

- Quality improvement
- More stable & better efficiency

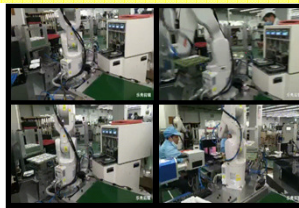


Advanced Automation Line



PCBA ASSY Automation Line :

Auto Soldering + PCBA cutting + IC Programming + PCBA Cleaning + Testing



IOT Product ASSY Automation Line:

-Auto Material Loading + Fixture Unloading + Testing + Laser + Nut Pressing + ASSY



Audio Device ASSY Automation Line :

Auto Screw + Auto Assy Parts + Auto Testing



VTEch CMS

Metal Capabilities

Our metal shop provides one-stop service for sheet metal and assembly productions. Precision NC machines eliminate tooling needs for orders of small-quantity, high mix low volume and prototyping.

In-house tooling design and fabrications ensure effective control and monitoring on quality, cost and schedule.

VTEch metal shop also serves 3rd party non-EMS business partners.

40+
years experience
in metal parts

100+
press machines

2
Auto painting
coating lines

8
NC punching
bending set up

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VTEch CMS

Quality System

VTEch CMS has an established, integrated Quality Model, which upholds our commitment to providing the highest quality manufacturing services.

Quality System



Regulatory & Directives Compliance / FDA Registered



Continues Improvement & Quality Sustainability


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We Do It Right In The First Time

We strictly adhere to all industry standards but also have the flexibility to support our client's individual quality requirements and procedures. Our VTEch Traceability System is in place such that manufacturing history of products and components throughout the entire manufacturing process can be easily traceable. Quality data can be accessible via VTEch's Intranet system in real time.

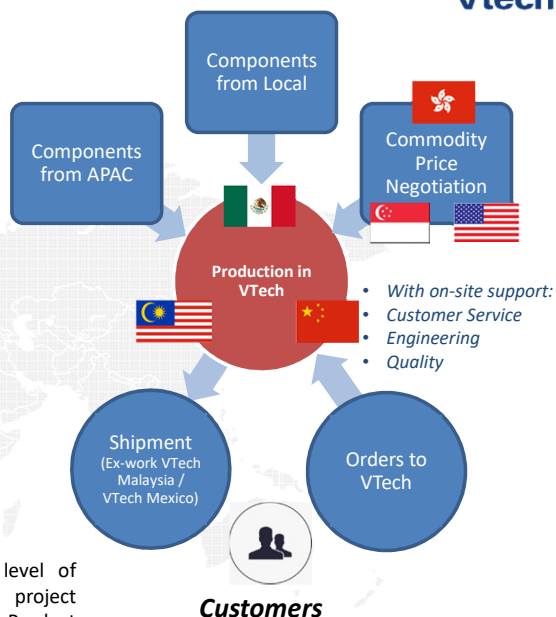
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Global Presence

Full Turnkey EMS – Global locations are supported by ONE CORE TEAM

Manual Input	<ul style="list-style-type: none"> • Same Management structure and Engineers from VTech China station in VTech Malaysia and Vtech Mexico • Local Operator and Foreign Operator 	✓
Machine	<ul style="list-style-type: none"> • Same Machine Transfer from VTech China to VTech Malaysia and Vtech Mexico, our Engineers have well experience to operate and setup these machines. 	✓
Method	<ul style="list-style-type: none"> • Same I4.0 System (MRP, Quality, etc) as our VTech China • NPI in VTech China, MP in VTech Malaysia and Vtech Mexico 	✓
Material	<ul style="list-style-type: none"> • Same AVL as VTech China (follow customer AVL or AML) • Opportunity to localize the custom parts with customer approval 	✓



ONE CORE TEAM makes everywhere of our factories to the same level of productivity, sustainable performance, high quality manufacturing & project management service covering PCBA, box build, systems integration, New Product Introduction (NPI) services for wide range of industries in global locations.

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VTech Mainland (VTC)

Automation for production



Manufacturing Information System (MIS)



Smart Warehouse



Auto Material Kitting



- Design analysis support
- SMT production
- THT production
- Press-fit technology
- Depanelization technology (routers, lasers)
- Laser engraving for PCB marking, barcode, artwork, etc.
- Automated Conformal Coating or Resin Potting
- Optical and X-ray processes
- Electrical testing

VTech Traceability System

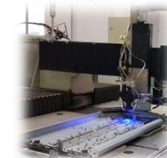


Quality data can be accessible via VTech's Intranet system in real time.

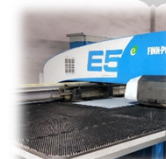
House tooling design and manufacturing



Welding Process



NC Fabrication Production



Painting, Coating and Printing Processes



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VTech Malaysia (VTM)

Site History

- Formerly Factory of Pioneer Corporation from 1993 to 2018
- Acquired by VTech on 20th Aug 2018

Location

- State of Johor
- District of Muar



Capacity

- 2 main buildings in operations
 - Main Building (warehouse, production floor, Production / Quality / Engineering offices)
 - New Building (Management / General offices, meeting rooms, training rooms, recreational rooms)
- 29,371m² factory floor space
 - 24,271m² existing building
 - 900m² warehouse expansion
 - 4,200m² new building
- 13 SMT lines (2 new)
- 6 auto insertion equipment (3 new)
- 7 wave soldering lines (5 new)
- 400 staffs
- 850 workers

Capability

- PCB Assembly
 - Precision SMT Mounter, SPI, AOI, Reflow Oven, High Speed Axial / Radial Auto Insert, Underfill, X-Ray Inspection, Programmable Wave Solder Machines, ICT, PCBA Test
- Box Build Assembly
 - Integrated Conveyor Assembly Line, Automated Processes
- Process, Test Development & NPI
 - PFMEA, DFX, ICT, ATE, FAT, Customized / Self Developed Test Systems
- Quality, Reliability, Failure Analysis
 - Aging Lab, X-Ray Analysis, Vibration & Drop Tester, Environmental Chamber, Ball Drop Test, Abrasion Test, Salt Spray Tester, User Environment Inspection Booth, Six Sigma & TOC Programs



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VTech Mexico (VTX)

1st VTech EMS Factory Building since 2021

B1



- 1st VTech EMS Factory in North America
- Acquired since Apr/2021
- Manufacturing Space: 58K sq. ft
- Product: Wooden Cabinet Speaker and Professional Audio Equipment

New Expansion: 2nd Full Turnkey EMS Factory Building established in 2023

B2



- 2nd VTech Full turnkey EMS Factory in Tecate, Mexico
- Established in Apr/2023
- Manufacturing Space: 68K sq. ft
- Factory Setup: Highly automated with Industrie 4.0

Remark:

Currently partnering with a Mexican shelter service company - Ivemsa S.A. DE C.V. for the business operation.

