



FOR IMMEDIATE RELEASE

VTech Announces Resignation of its Auditors

Hong Kong, 18 February 2003 - VTech Holdings Ltd (SEHK: 303; London SE: VTH; ADR: VTKHY) today announced that on 14 February 2003 PricewaterhouseCoopers resigned as its auditors over VTech's concerns about the audit firm's performance in relation to project work carried out for VTech regarding the Company's acquisition of the Lucent Wired Business in 2000. VTech is currently attempting to settle any claims it holds against PricewaterhouseCoopers without proceeding to litigation. VTech is now arranging for the appointment of KPMG as its auditors.

VTech had settled claims against Lucent concerning the Wired Business purchase in July 2002.

About VTech:

VTech is a leading consumer-focused technology company. It designs, manufactures, markets and sells electronic learning and telecommunication products through its extensive international distribution network. With its excellence in technology manufacturing, the Group also provides highly sought-after contract manufacturing services. With turnover of US\$959.8 million in the financial year 2002, VTech currently has a presence in 10 countries. The Group invested US\$33.0 million in R&D in the financial year 2002 and launches more than 80 innovative and high quality products.

~ End ~

This release is issued by VTech Holdings Ltd through Golin/Harris Forrest. For further information, please contact:

Grace Pang
VTech Holdings Ltd
(852) 2680-1703 (office)
(852) 2680-1788 (fax)
grace_pang@vtech.com (email)

VTech representative in HK
Nick Bradbury/Peggy Chung,
Golin/Harris Forrest
(852) 2501-7910/25017918 (Office)
(852) 2810-4780 (fax)
nick.bradbury@golinharris.com.hk (email)
peggy.chung@golinharris.com.hk (email)