

Press Release

For Immediate Release

4 December 2019, Hong Kong



Gold Peak Announces a Joint Venture in Thailand to further diversify its manufacturing base

On 2 December 2019, Gold Peak announced that a wholly-owned subsidiary of GP Industries Limited, GP Electronics (HK) Limited (“GPE”) is forming a joint venture in Thailand with STH Holdings Co., Ltd (“STH”) for the manufacturing and sales of electronics and acoustics audio products in Thailand.

The initial capital investment of this joint venture, GP Electronics & Acoustics Co., Ltd, is approximately THB220 million (approx. HK\$57 million).

The move is another step forward of Gold Peak’s strategy to extend its manufacturing base outside China and to leverage on the competitive advantages of Thailand by cooperating with local partners to manufacture more products intended for the US and other global markets. The new company will be a 51:49 joint venture between GPE and STH, and is expected to start operation in the coming quarters.

STH is ultimately owned and controlled by the owners of P.Audio System Co. Limited, a manufacturer and distributor of professional audio products in Thailand.

Under the joint venture, both GPE and STH will not only pool their manufacturing facilities, equipment and tooling into the joint venture to support the growth of its electronics and acoustics businesses, but also share their technical know-how, business connections and distribution networks.

Victor Lo, Chairman and Chief Executive of Gold Peak, commented on the new joint venture, “The escalating manufacturing costs in China have been inserting pressure on profitability. The US-China trade dispute since mid-2019 has also affected some of the Group’s businesses. The formation of this joint venture is in line with the

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Group's strategy to explore cooperation opportunities outside China to further expand the Group's export businesses while improving cost efficiency and further expanding its business networks."

"The Group will continue to strengthen its competitiveness by investing in technology and new product development, further automating its factories and continuing to build its brands and distribution networks in key markets," added Lo.

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