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Released By : ACES Electronics Co., Ltd.

Date : December 17, 2020

ACES Proposed to Acquire 100% Equity of Genesis.

ACES Electronics Co., Ltd. hold its board meeting today resolving to acquire 100% equity of Genesis, U.S.A. to be a subsidiary of the ACES Group in cash.

ACES Electronics Co., Ltd. (Stock code: TW 3605, hereinafter referred to as ACES or "the Company") convened a board of directors' meeting today (December 17, 2020) at which the resolution was made to acquire 100% equity in Genesis Technology USA, Inc. and Genesis Holding Company (hereinafter jointly referred to as Genesis) by means of cash investment. It is expected to close by the end of March, 2021, Genesis will officially become a subsidiary of the Company.

In today's market of rapid changes and fierce industry competition, the development of connector and cable technologies is now oriented toward products with greater speed, higher frequencies, and larger information capacities. As such, the development strategies for enterprise growth must also be redirected toward ensuring the constant evolution of innovative technologies and products as well as capable teams and staff that enable the enterprise to keep abreast of rapidly shifting markets and industry trends, or even lead the industry and market in new advances and discoveries. To fulfill the diverse needs of our clients, ACES must also be equipped with a full range of solutions that help us realize our commitments to our clients, and has for this reason resolved at the board of directors' meeting convened today (December 17, 2020) to acquire 100% equity in Genesis Holding Company (hereinafter "Genesis") by means of cash investment. It is expected that after closing which is completed before the end of March, 2021, Genesis will officially become a wholly-owned subsidiary of the Company.

Genesis is an interconnect solutions provider, headquartered in Atlanta, U.S.A. Established in 1994, that has designed and manufactured interconnect solutions which help major global customers accelerate and improve their system designs for enhanced performance. Genesis manufactures and markets high technology interconnect, wireless, antenna, power and high-speed cable



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assemblies across the consumer, IT, data communication and industrial markets. Genesis has a strong R&D team who obtained multiple technology patents in the U.S., also with sales office and factories located in the U.S., Europe and Asia, providing immediate services and total solutions to its clients locally.

ACES is a world leader in high precision electrical and electronic connectors, electro-mechanical assemblies, and specialty cable products in diversified industry, including notebooks, peripherals for consumer electronics, handheld mobile communication devices, automobile electronics, cloud servers, industrial control industry. Products include precision connectors, micro coaxial cables, electronic cables, and USB/IO connectors and cables, Type C connectors and cables, power connectors, card edge connectors, high-power connectors, high-speed connectors and cables, automobile electronic connectors and cables, wireless RF connectors and cables, stamping parts and other components. Aces designs, manufactures, and assembles its products at 10 different R&D and manufacturing facilities in Taiwan, China, Philippines, Vietnam, and Japan. ACES has a diversified presence as leader in high growth areas of the interconnect market with annual revenue of NT\$8 billion

5G technology is evolving at a breakneck pace. Network equipment, mobile phone, and Telecom service providers are unveiling new products and services that address the strong user demand for transmission speed, signal strength, and connection quality. Providers are also responding to an increasing reliance on data and the drastic increase in data transmission volume due to developments in AI and the emergence of video streaming and cloud gaming services. As 5G becomes more prevalent, high-speed transmission for high-end servers, cloud data centers, and IoT applications will also grow exponentially. As such, the application of 5G and AI technologies will increase the demand for transmission speed and capacity by several fold. At the same time, the introduction of new open standards will require the updating of existing transmission interfaces. For example, internal transmission interfaces will be upgraded to PCIe 5.0 specification, and external I/O transmission will be upgraded from 400G to 800G. This will also drive the technological development of specifications for connectors and cables towards higher



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frequencies and higher-speed transmissions.

Genesis has also in recent years been committed to pursuing developments in the market for 5G applications. New products for which development has been currently completed include high-speed board-to-board connectors with PCIe Gen5 specification, SlimSAS connectors and cables, QSFP-28 and QSFP-DD 400G high-speed cables, antenna modules for IoT and industrial application, EMI shielding cans and more.

“This acquisition is consistent with our strategy of continuing to expand our range of higher technology board-level interconnect products to address the market demands for higher speed and higher frequency components across a wide array of hardware platforms“, said Iven Yuan, ACES’ Chairman. ACES values the highly complementary nature of the products and technologies of the two companies and their respective clients in different industry sectors. Following the merger and integration of the two parties, research and development efforts can be delegated to professional teams in the U.S. and Asia to shorten the product development cycle. At the same time, the synergy from technological integration and research advancements will bring about more opportunities and momentum for growth. As Genesis is headquartered in the U.S. and mainly serves clients in North America and Europe, this merger will serve to expand the markets for both companies. And although the companies may produce similar products, they cater to different customer bases. Following the acquisition of Genesis, ACES will be poised to directly establish partnerships with clients located in the U.S. This will allow the company to obtain advantages in specification early in the product development phase, and introduce new products or technical services in advance. Similarly, ACES will be able to expand the client base internationally, reinforce business partnerships with major international corporations, broaden our business scale, and provide customers with the best and most comprehensive solutions and services. On this basis, we hope that you will continue to support both ACES and Genesis on account of our long-standing partnerships. Both companies will remain committed to providing customers with products and services of unwavering quality. Moving forward after the merger, we will become even better enabled



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to offer our clients a greater variety of more comprehensive solutions and services. Your support is truly valued and appreciated!

After the completion of this equity trade, ACES will become the major shareholder of Genesis. Nevertheless, Genesis will not cease to exist, but will persevere and continue to operate sustainably; its operating group will continue unchanged, ensuring the uninterrupted operation of Genesis as it moves into the future.

Lastly, we would like to thank each and every of you for the support that you have shown us over the years.

Sincerely,

ACES Electronics Co., Ltd.

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