

Press Release

Regarding the merger transaction ("Transaction") between GCS Holdings Inc. ("GCS") and SAIC Acquisition, Inc., a wholly owned subsidiary of Xiamen San'an Integrated Circuit Co., Ltd. (San'an), despite the extensive efforts of the parties to mitigate the concerns of the Committee on Foreign Investment in the United States ("CFIUS"), regulatory clearance has not been granted for this Transaction. Since the condition precedent for concluding the Transaction cannot be met, GCS held a board meeting today (August 1, 2016) to terminate the Transaction. The termination agreement was executed shortly after the board meeting.

Going forward, GCS will continue its efforts in new product development to optimize the product mix and will pursue the strategic initiatives as needed to maximize company and shareholder values.