

GENESIS MICROCHIP INC /DE
Form S-4/A
December 03, 2001

As filed with the Securities and Exchange Commission on December 3, 2001

Registration No. 333-72202

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GENESIS MICROCHIP INC.

(Exact name of registrant as specified in its charter)

Delaware	5065	77-0584301
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

2150 Gold Street
Alviso, California 95002
(408) 262-6599

(Address, including ZIP Code, and telephone number, including area code, of registrant's principal executive offices)

Amnon Fisher
Genesis Microchip Inc.
2150 Gold Street
Alviso, California 95002
(408) 262-6599

(Name, address, including ZIP Code, and telephone number, including area code, of agent for service)

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San Francisco, California 94105
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Chandrashekar M. Reddy
Sage, Inc.
1601 McCarthy Boulevard
Milpitas, California 95035
(408) 383-5300

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425 Market Street
San Francisco, California 94105
(415) 268-7000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. " _____

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " _____

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " _____

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

TO THE STOCKHOLDERS OF GENESIS MICROCHIP INCORPORATED AND SAGE, INC.:

A MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

Genesis Microchip Incorporated, a Nova Scotia company, which we refer to as Genesis Microchip, and Sage, Inc., a Delaware corporation, which we refer to as Sage, have agreed to merge. Immediately prior to the merger, Genesis Microchip will complete a reorganization in which the public company will change from Genesis Microchip, a Nova Scotia company, to Genesis Microchip Inc., a Delaware corporation, which we refer to as Genesis Microchip Delaware. When the reorganization is completed, Genesis Microchip shareholders will receive one share of Genesis Microchip Delaware for each common share of Genesis Microchip they own. When the merger is completed, Sage common stockholders will receive 0.571 of a share of common stock of Genesis Microchip Delaware for each share of Sage common stock they own. Genesis Microchip's shareholders must approve the reorganization proposal as a condition to the merger. However, if the reorganization is approved, Genesis Microchip intends to complete the reorganization whether or not the merger is approved.

Genesis Microchip Delaware common stock will be listed on the Nasdaq National Market under the trading symbol GNSS. Genesis Microchip common stock is currently listed on the Nasdaq National Market under the trading symbol GNSS, and closed at \$56.93 per share on November 30, 2001. Sage common stock is listed on the Nasdaq National Market under the trading symbol SAGI, and closed at \$31.85 per share on November 30, 2001.

The board of directors of each of Genesis Microchip and Sage have approved the merger and recommend that their respective stockholders vote **FOR** the merger proposals as described in the attached materials. In addition, the board of directors of Genesis Microchip has approved the reorganization and recommends that its shareholders vote **FOR** the reorganization proposal as described in the attached materials. Information about the merger and the reorganization is contained in this joint proxy statement/prospectus. **We urge you to read this material, including the section describing risk factors that begins on page 20.**

The dates, times and places of the meetings are as follows:

For Genesis Microchip shareholders:

For Sage stockholders:

, 8:00 a.m.

Stewart McKelvey Stirling Scales
Purdy's Wharf Tower One
Suite 900
1959 Upper Water Street
Halifax, Nova Scotia
Canada B3J 2X2

, a.m.

Sage, Inc. Headquarters
1601 McCarthy Boulevard
Milpitas, California 95035

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the special meetings, please take the time to vote by completing, signing and dating the enclosed proxy card and returning it promptly in the postage paid envelope provided

so that your shares will be represented at the special meetings.

We strongly support the proposed transactions and join with our boards of directors in enthusiastically recommending that you vote in favor of the proposals presented to you for approval.

Amnon Fisher
President and Chief Executive Officer
Genesis Microchip Incorporated

Chandrashekar M. Reddy
President and Chief Executive Officer
Sage, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of Genesis Microchip Delaware common stock to be issued in the merger or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated _____, 2002 and is first being mailed to stockholders of Genesis Microchip and Sage on or about _____, 2002.

**Genesis Microchip Incorporated
165 Commerce Valley Drive W.
Thornhill, Ontario Canada L3T 7V8
(905) 889-5400**

**NOTICE OF SPECIAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD _____, 2002**

To the Shareholders of Genesis Microchip Incorporated:

Notice is hereby given that a special general meeting of shareholders of Genesis Microchip Incorporated, which we refer to as Genesis Microchip, will be held on _____, 2002 at 8:00 a.m., local time, at Stewart McKelvey Stirling Scales at Suite 900, Purdy's Wharf Tower One, 1959 Upper Water Street, P.O. Box 997, Halifax, NS, Canada, B3J 2X2, for the following purposes:

1. to consider, pursuant to an interim order of the Supreme Court of Nova Scotia dated _____, 2002, and to vote upon a proposed resolution to approve an arrangement under Section 130 of the *Companies Act* (Nova Scotia) that will reorganize Genesis Microchip from a Nova Scotia company to a newly formed Delaware corporation, which we refer to as Genesis Microchip Delaware. In this reorganization, Genesis Microchip, a Nova Scotia company, will become a wholly owned subsidiary of Genesis Microchip Delaware, and shareholders of Genesis Microchip will become stockholders of Genesis Microchip Delaware;
2. to consider and vote upon a proposal to approve the issuance of shares of common stock, par value \$0.001 per share, of Genesis Microchip Delaware, pursuant to the Agreement and Plan of Merger and Reorganization, dated as of September 27, 2001, by and between Genesis Microchip and Sage, pursuant to which Sage will become a wholly owned subsidiary of Genesis Microchip Delaware; and
3. to transact such other business as may properly come before the special general meeting or any adjournment or postponement thereof.

These items of business are more fully described in the attached joint proxy statement/prospectus.

All Genesis Microchip shareholders are cordially invited to attend the Genesis Microchip special general meeting. Only shareholders of record at the close of business on _____, 2002, the record date fixed by the board of directors, are entitled to notice of and to vote at the special general meeting or any adjournment or postponement thereof.

Your vote is very important. Whether or not you plan to attend the special general meeting, please take the time to vote today by completing, signing and dating the enclosed proxy and returning it promptly in the postage paid envelope provided so that your shares will be represented at the special general meeting.

By Order of the Board of Directors of Genesis Microchip Incorporated

Ontario, Canada
, 2002

I. Eric Erdman
Chief Financial Officer and Secretary

Sage, Inc.
1601 McCarthy Boulevard
Milpitas, California 95035

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD , 2002

To the Stockholders of Sage, Inc.:

Notice is hereby given that a special meeting of stockholders of Sage, Inc., which we refer to as Sage, will be held on , 2002 at a.m., local time, at its offices at 1601 McCarthy Boulevard, Milpitas, California 95035, for the following purposes:

1. to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger and Reorganization, dated as of September 27, 2001, by and between Genesis Microchip and Sage and to approve the merger described therein. Prior to the merger, Genesis Microchip will reorganize from a Nova Scotia company to a Delaware corporation, which we refer to as Genesis Microchip Delaware. Pursuant to the merger agreement, Sage will become a wholly owned subsidiary of Genesis Microchip Delaware. Each outstanding share of common stock, par value \$0.01 per share, of Sage will be canceled and converted into the right to receive 0.571 of a share of common stock of Genesis Microchip Delaware; and
2. to transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

These items of business are more fully described in the attached joint proxy statement/prospectus.

All Sage stockholders are cordially invited to attend the Sage special meeting. Only stockholders of record at the close of business on , 2002, the record date fixed by the board of directors, are entitled to notice of and to vote at the special meeting and any adjournment or postponement thereof.

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to vote today by telephone, via the Internet, or by completing, signing and dating the enclosed proxy and returning it promptly in the postage paid envelope provided so that your shares will be represented at the special meeting.

By Order of the Board of Directors of Sage, Inc.

Simon P. Westbrook
Chief Financial Officer and Secretary

Milpitas, California
, 2002

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Genesis Microchip and Sage from documents that each company has filed with the Securities and Exchange Commission and that have not been included in or delivered with this joint proxy statement/prospectus.

Genesis Microchip will provide you with copies of this information relating to Genesis Microchip, without charge, upon written or oral request to:

Genesis Microchip Incorporated
165 Commerce Valley Drive W.
Thornhill, Ontario Canada L3T 7V8
Attention: Chief Financial Officer
Telephone Number: (905) 889-5400

Sage will provide you with copies of this information relating to Sage, without charge, upon written or oral request to:

Sage, Inc.
1601 McCarthy Boulevard
Milpitas, California 95035
Attention: Chief Financial Officer
Telephone Number: (408) 383-5300

If you would like to request any documents, please do so by _____, 2002 in order to receive them before the special meetings. See Where You Can Find More Information beginning on page 137.

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE REORGANIZATION

Q: *What is happening?*

A: Two things are happening.

First, Genesis Microchip is exchanging its shares in order to reorganize from a Nova Scotia company to a Delaware corporation. Currently, Genesis Microchip is a Nova Scotia company but has most of its operations in Silicon Valley in the United States.

Second, Genesis Microchip and Sage are proposing to merge.

Q: *How is this happening?*

A: The reorganization and the merger will be completed in two distinct steps, to be completed in succession once all conditions are satisfied.

Step One The Reorganization. Genesis Microchip, a Nova Scotia company, will exchange all common shares held by its shareholders for newly issued shares of Genesis Microchip Inc., a newly formed Delaware corporation and a subsidiary of Genesis Microchip Incorporated. The Nova Scotia company will become a subsidiary of the Delaware corporation and the shareholders of the Nova Scotia company will become stockholders of the Delaware corporation.

Step Two The Merger. The newly formed Delaware corporation, Genesis Microchip Delaware, will acquire Sage in a merger transaction between Sage and a subsidiary of Genesis Microchip Delaware, such that Sage will survive the merger as a subsidiary of Genesis Microchip Delaware.

Q: *Why are Genesis Microchip and Sage proposing to merge?*

A: We are proposing the merger because we believe the combined strengths of our two companies will create a more efficient and competitive participant in the display processor industry. We believe that the merger will expand our financial, technological, operational, and marketing resources and capabilities that will be necessary to compete successfully in this industry against companies with far greater resources and capabilities and new entrants.

Q: *Why is Genesis Microchip proposing the reorganization?*

A: Genesis Microchip is generally unable to acquire U.S. companies in stock-for-stock transactions intended to be tax-free to the selling company's stockholders under U.S. law. The reorganization of Genesis Microchip from a Nova Scotia company to a Delaware corporation will enable it to acquire U.S. companies in tax-free transactions.

Q: *What effect will the reorganization have on Genesis Microchip shareholders?*

A: If the reorganization is completed, Genesis Microchip shareholders will become stockholders of Genesis Microchip Delaware, and each outstanding share of Genesis Microchip will be exchanged for one share of Genesis Microchip Delaware.

Q: *What will Sage stockholders receive in the merger?*

A: If the merger is completed, each outstanding share of Sage common stock will be converted into the right to receive 0.571 of a common share of Genesis Microchip Delaware. Genesis Microchip Delaware will not issue fractional shares in connection with the merger. Sage stockholders will receive cash, without interest, rather than a fractional share of Genesis Microchip Delaware common stock that Sage stockholders would otherwise be entitled to receive in the merger.

Q: *What happens if the reorganization is not completed?*

A: *Genesis Microchip shareholders:* You will continue to hold shares of Genesis Microchip.

The proposed merger with Sage, even if approved by stockholders of both companies, will not be consummated.

Sage stockholders: The proposed merger, even if approved by stockholders of both companies, will not be consummated.

Q:

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What happens if the reorganization is approved but the merger or the issuance of shares in the merger is not approved by stockholders?

A: The reorganization will be effected but the merger will not be completed.

Q: **What will happen to my stock options?**

A: *Genesis Microchip option holders:* Your options to purchase common stock of Genesis Microchip will be assumed by Genesis Microchip Delaware in the reorganization and will become exercisable, on the same terms and conditions as your current options, for common stock of Genesis Microchip Delaware.

Sage option holders: Your options to purchase common stock of Sage will be assumed by Genesis Microchip Delaware in the merger, and will become exercisable for shares of Genesis Microchip Delaware common stock after completion of the merger. After the merger, your options will constitute options to acquire a number of shares of Genesis Microchip Delaware common stock equal to the number of shares of Sage common stock subject to the unexercised portion of such option multiplied by 0.571, rounded down to the nearest whole number. The exercise price per share of each assumed option will be equal to the exercise price per share of each assumed option to purchase shares of Sage common stock divided by 0.571, rounded up to the nearest whole cent.

Q: **What am I being asked to vote upon?**

A: *Genesis Microchip shareholders:* You are being asked to vote to approve two things:

First, the reorganization of Genesis Microchip from a Nova Scotia company to Genesis Microchip Delaware, a newly formed Delaware corporation.

Second, the issuance of shares of common stock of Genesis Microchip Delaware in connection with the merger.

Sage stockholders: You are being asked to vote to approve the merger.

Q: **What approvals are required?**

A: *Genesis Microchip shareholders:* The reorganization of Genesis Microchip from a Nova Scotia company to a Delaware corporation requires:

The affirmative vote of at least a majority of the number of shareholders of Genesis Microchip present, in person or by proxy, at the Genesis Microchip special general meeting; and

The affirmative vote of holders of at least seventy-five percent of the common shares of Genesis Microchip present, in person or by proxy, at the special general meeting.

The approval of the issuance of shares of Genesis Microchip Delaware in the merger requires the affirmative vote of at least a majority of the votes cast, in person or by proxy, at the special general meeting.

Sage stockholders: The affirmative vote of stockholders holding at least a majority of the outstanding shares of Sage common stock is required to approve and adopt the merger agreement and approve the merger.

Q: **Will the merger result in any material disadvantages to Genesis Microchip shareholders?**

A: Genesis Microchip will incur significant costs as a result of the merger. In addition to incurring transaction costs, Genesis Microchip expects to incur additional charges to the combined company's earnings as a result of the amortization of intangible assets arising from the merger. Genesis Microchip currently estimates the amount of the additional annual charges for amortization of intangible assets to

be approximately \$22.8 million. Additional information relating to these charges for amortization of intangible assets can be found in Unaudited Pro Forma Combined Consolidated Financial Statements beginning on page 82.

Q: **How does my board of directors recommend that I vote on the proposals?**

A: *Genesis Microchip shareholders:* The board of directors of Genesis Microchip unanimously recommends that you vote **FOR** each of the two proposals submitted by the board.

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Sage stockholders: The board of directors of Sage unanimously recommends that you vote **FOR** the merger.

Q: *Will I be able to trade the stock I receive?*

A: *Genesis Microchip shareholders:* Yes, unless you are an affiliate of Genesis Microchip. Genesis Microchip is currently traded on the Nasdaq National Market under the symbol GNSS and is not traded on any Canadian or other exchange. Your shares of Genesis Microchip exchanged for shares of common stock of Genesis Microchip Delaware will be listed on the Nasdaq National Market under the same symbol, GNSS. Persons who are deemed to be affiliates of Genesis Microchip Delaware, however, must comply with Rule 145 under the Securities Act if they wish to sell or otherwise transfer any of the shares of Genesis Microchip Delaware they receive in the reorganization.

Sage stockholders: Yes. The shares of Genesis Microchip Delaware common stock will be listed on the Nasdaq National Market under the symbol GNSS. Persons who are deemed to be affiliates of Sage prior to the completion of the merger, however, must comply with Rule 145 under the Securities Act if they wish to sell or otherwise transfer the shares of Genesis Microchip Delaware common stock they receive in the merger.

Q: *If the reorganization and merger are approved, when is everything expected to be completed?*

A: The reorganization must occur prior to consummation of the merger.

The reorganization. The reorganization is subject to approval by the Supreme Court of Nova Scotia. A hearing for this approval has been scheduled for _____, 2002. It is expected that the reorganization will become effective as soon as possible after Genesis Microchip obtains a final order from the Supreme Court of Nova Scotia.

The merger. If all conditions to closing have been satisfied, the parties will close as soon as possible after the special meeting of stockholders of Sage and the special general meeting of shareholders of Genesis Microchip on _____, 2002 and after Genesis Microchip obtains a final order from the Supreme Court of Nova Scotia to approve the reorganization.

Q: *When is the special general meeting of shareholders of Genesis Microchip relating to the reorganization and the merger?*

A: The special general meeting of shareholders of Genesis Microchip will be held on _____, 2002, at 8:00 a.m. local time, at Stewart McKelvey Stirling Scales at Suite 900, Purdy's Wharf Tower One, 1959 Upper Water Street, P.O. Box 997, Halifax, NS, Canada, B3J 2X2.

If there is no quorum for the special general meeting, Genesis Microchip intends to adjourn the special general meeting for seven days as provided in its articles of association. Genesis Microchip may then conduct a special general meeting and the shareholders present at that meeting shall constitute a quorum.

Q: *When is the special meeting of Sage stockholders relating to the merger?*

A: The special meeting of Sage stockholders will take place on _____, 2002, at _____, local time, at the offices of Sage at 1601 McCarthy Boulevard, Milpitas, California 95035.

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Q: *How do I vote? (see pages 37 and 40)*

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, including the annexes, complete, sign and date the enclosed proxy card, and then mail it in the enclosed pre-paid return envelope as soon as possible so that your shares can be voted at the Genesis Microchip special general meeting or the Sage special meeting.

You may also attend the Genesis Microchip special general meeting or the Sage special meeting and vote in person instead of submitting a proxy. If your shares are held by your broker, consult your broker on how to arrange for voting at the meeting.

Whether or not you plan to attend the Genesis Microchip special general meeting or the Sage special meeting, please complete, sign, date and return the accompanying proxy card so that your shares will be represented.

Returning your proxy will not deprive you of your right to attend the Genesis Microchip special general meeting or the Sage special meeting and vote your shares in person.

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Q: *Can I vote by telephone or electronically? (see pages 37 and 40)*

A: *Genesis Microchip shareholders:* Registered Genesis Microchip shareholders must vote by returning their proxy cards or voting in person at the special general meeting. Registered Genesis Microchip shareholders cannot vote by telephone or electronically. Non-registered shareholders may be able to submit voting instructions to their intermediary by telephone or via the internet, and should follow the instructions provided by such intermediary.

Sage stockholders: Under Delaware law, Sage stockholders may submit proxies electronically, via the Internet or by telephone. Specific instructions on voting via the Internet or by telephone are included in the Sage proxy card.

Q: *If my shares are held in street name by my broker, will my broker vote my shares for me? (see pages 36 and 39)*

A: No. Your broker will not be able to vote your shares without instructions from you. If you do not provide your broker with voting instructions, your shares may be considered present at the special general meeting of Genesis Microchip shareholders or the special meeting of Sage stockholders for purposes of determining a quorum, but will not be considered to have been voted in favor of approval of any proposal. If you have instructed a broker to vote your shares and wish to change your vote, you must follow directions received from your broker to change those instructions.

Q: *What happens if I don't return a proxy card? (see pages 36 and 39)*

A: *Genesis Microchip shareholders:* Failure to return a proxy will have the effect of reducing the number of votes cast at the special general meeting of Genesis Microchip shareholders and of reducing the number of votes needed to approve the proposals. The failure to return a proxy may also contribute to a failure to obtain a quorum at the meeting.

Sage stockholders: Failure to return a proxy will have the effect of reducing the number of votes cast at the special meeting of Sage stockholders. The failure to return a proxy may also contribute to a failure to obtain a quorum at the meeting.

Q: *What happens if I am a record holder and I return a properly executed proxy card but I don't indicate how to vote my proxy? (see pages 37 and 40)*

A: *Genesis Microchip shareholders:* Your shares will be voted **FOR** each of the reorganization and the issuance of shares of Genesis Microchip Delaware common stock in the merger.

Sage stockholders: Your shares of Sage common stock will be voted **FOR** adoption and approval of the merger agreement and approval of the merger.

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Q: *Can I change my vote after I have mailed my proxy card? (see pages 37 and 40)*

A: Yes, you can change your vote at any time before your proxy is voted at your special meeting or special general meeting. If you are a shareholder of record, you can do this in one of three ways.

First, you can send a written notice to Genesis Microchip or Sage care of Innisfree M&A Incorporated or to the Secretary of Sage, stating that you would like to revoke your previously delivered proxy.

Second, you can complete and deliver a later dated proxy card to Genesis Microchip or Sage care of Innisfree M&A Incorporated.

Third, you can attend the Genesis Microchip special general meeting or the Sage special meeting and vote in person. Your attendance at the special general meeting or special meeting, by itself, however, will not revoke your previously delivered proxy.

If your shares are held by your broker, consult your broker for procedures to change your vote.

Q: *When should I send in my share certificates? (see pages 65 and 107)*

A: *Genesis Microchip shareholders:* Please do not send in your share certificates with your proxy card. You must keep your share certificates until after the reorganization has been completed, at which time you will receive a letter of transmittal describing how you may exchange your Genesis Microchip share certificates for certificates representing shares of Genesis Microchip Delaware common stock. At that time, you will have to submit your Genesis Microchip share certificates to the exchange agent with your completed letter of

transmittal.

Sage stockholders: Please do not send in your stock certificates with your proxy card. You must keep your stock certificates until after the merger has been completed, at which time you will receive a letter of transmittal describing how you may exchange your Sage stock certificates for certificates representing shares of Genesis Microchip Delaware common stock. At that time, you will have to submit your Sage stock certificates to the exchange agent with your completed letter of transmittal.

Q: *Are there risks I should consider in deciding whether to vote for the reorganization and the merger? (see page 20)*

A: Yes. The section entitled Risk Factors beginning on page 20 of this joint proxy statement/prospectus describes a number of risk factors that you should consider in connection with the reorganization and the merger.

Q: *Who can help answer my questions about the reorganization and the merger?*

A: If you have any questions about the reorganization or the merger or how to vote your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, you should contact:

Innisfree M&A Incorporated

501 Madison Avenue
20th Floor
New York, New York 10022

Call Toll Free: (888) 750-5834

**Banks and Brokers Call Collect:
(212) 750-5833**

Genesis Microchip shareholders may also call:

Genesis Microchip Incorporated

165 Commerce Valley Drive, W.
Thornhill, Ontario Canada L3T 7V8
Attention: Chief Financial Officer
(905) 889-5400

Sage stockholders may also call:

Sage, Inc.

1601 McCarthy Boulevard
Milpitas, California 95035
Attention: Chief Financial Officer and Secretary
(408) 383-5300

SUMMARY OF THE JOINT PROXY STATEMENT/PROSPECTUS

This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. Even though we have highlighted what we believe is the most important information, you should carefully read the entire joint proxy statement/prospectus for a more complete understanding of the proposed reorganization of Genesis Microchip and the merger with Sage. In particular, you should read the annexes attached to this joint proxy statement/prospectus, including the merger agreement and the share exchange and arrangement agreement and plan of arrangement, which are attached as Annexes A and E, respectively. You should also review the other available information referred to in Where You Can Find More Information on page 137.

THE COMPANIES

Genesis Microchip Incorporated
165 Commerce Valley Drive W.

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Thornhill, Ontario L3T 7V8
(905) 889-5400

Genesis Microchip designs, develops and markets integrated circuits that process digital video and graphic images. Genesis Microchip's integrated circuits are typically located inside a display device and process images so that they can be viewed on that display. Genesis Microchip currently focuses on digital display systems such as flat panel computer monitors, digital CRT monitors, and digital television. In addition to Genesis Microchip's image processing technologies, Genesis Microchip has developed communications technologies. These communications technologies focus on the reception of data by display devices, such as a computer monitor receiving signals from a computer. Genesis Microchip's integrated circuit products contain various combinations of its image processing or communications technologies, depending on the needs of the targeted market.

Genesis Microchip Inc.

2150 Gold Street
Alviso, California 95002
(408) 262-6599

Genesis Microchip Delaware is a newly formed Delaware corporation and will become the parent company of Genesis Microchip following the reorganization. Shareholders of Genesis Microchip immediately prior to the reorganization will become stockholders of Genesis Microchip Delaware after giving effect to the reorganization.

Sage, Inc.

1601 McCarthy Boulevard
Milpitas, California 95035
(408) 383-5300

Sage was incorporated in 1994 in California. Sage designs, develops and markets digital display and video processors that are used in existing personal computers and display monitors and in emerging display devices such as flat panel monitors, flat panel televisions, projection devices, digital cathode ray tube displays, Internet appliances and touch-screen displays used in retail and industrial settings. These display processor chips provide integrated analog-to-digital conversion, signal reformatting and color processing capabilities. Sage's systems-on-a-chip technology is designed to provide highly integrated mixed-signal and system functionality with higher picture quality than lower-quality processors at a similar component cost. Sage also designs and sells circuit boards that incorporate its semiconductors.

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REVENUE AND NET INCOME (LOSS)

Revenue

For the fiscal year ended March 31, 2001, Genesis reported revenues of \$63.6 million, representing a 19.3% increase from the previous fiscal year. For the six months ended September 30, 2001, Genesis reported revenue of \$57.4 million, representing an increase of 106.2% from the corresponding six month period ended September 30, 2000.

For the fiscal year ended March 31, 2001, Sage reported revenues of \$31.4 million, representing a 75.6% increase from the previous fiscal year. For the six months ended September 30, 2001, Sage reported revenue of \$18.0 million, representing an increase of 19.2% from the corresponding six month period ended September 30, 2000.

This significant growth in revenue has resulted from the increased demand for Genesis and Sage products.

Net Income (Loss)

For the fiscal year ended March 31, 2001, Genesis reported net income of \$2.7 million compared to net income of \$6.0 million for the previous fiscal year. The decrease in earnings was primarily due to lower gross margin percentage offset in part by higher revenues. The lower gross margin resulted primarily from costs incurred in the fourth quarter of the 2001 fiscal year, attributable to the write down of prior generation products and initial low manufacturing yield associated with a new product. For the six months ended September 30, 2001, Genesis reported net income of \$8.2 million compared with \$3.5 million in the corresponding six month period ended September 30, 2000. The increase in earnings resulted from significantly higher revenues offset in part by lower gross margins and higher operating expenses.

For the fiscal year ended March 31, 2001, Sage reported a net loss of \$121.1 million compared to a net loss of \$4.6 million for the previous fiscal year. The increase in loss was due to the write down of intangible assets previously recorded on acquisition of Faroudja, lower margins and increases in operating expenses. Net loss, excluding amortization and charges that related to these intangibles and in-process technology, was \$2.3 million for the fiscal year ended March 31, 2001, compared to \$2.1 million in fiscal 2000. For the six months ended September 30, 2001, Sage reported a net loss of \$6.5 million compared with \$15.3 million in the corresponding six month period ended

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September 30, 2000. The decrease in loss resulted from lower amortization of remaining intangibles assets related to the acquisition of Faroudja, offset in part by higher operating expenses and costs associated with the proposed sale of the company to Genesis.

EXCHANGE RATIO

Because the exchange ratio is fixed at 0.571, as the stock price of Genesis Microchip fluctuates, so does the market value of the stock consideration to be paid by Genesis Microchip. For example, as set forth in the table below, if Genesis Microchip Delaware common stock is trading at \$27.30 per share at the time of close, the consideration received by Sage stockholders would have a value of \$15.59 per share and approximately \$221.54 million in total. If Genesis Microchip Delaware common stock is trading at \$56.93 per share at the time of close, the consideration received by Sage stockholders would have a value of approximately \$32.51 per share and \$462.07 million in total. The post-closing value of the consideration would then be subject to the fluctuations of the stock market. In reaching their respective decisions to approve the merger agreement, the board of directors of each of Genesis Microchip and Sage considered, among other factors, in exercising their fiduciary duties, this fixed exchange ratio and the percentages of the combined company that will be held by the former stockholders of Genesis Microchip and Sage following the merger.

Genesis Stock Price	Per Share Consideration to Sage Stockholders
\$20.00	\$11.42
\$27.30(1)	\$15.59
\$40.00	\$22.84
\$56.93(2)	\$32.51

- (1) Closing price on September 27, 2001.
(2) Closing price on November 30, 2001.

Each board has obtained from its respective investment banking firm an opinion as to the fairness, from a financial point of view, of the fixed exchange ratio.

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FAIRNESS OPINIONS OF FINANCIAL ADVISORS

Opinion of Dresdner Kleinwort Wasserstein (see page 47)

In deciding to approve the merger, Genesis Microchip's board of directors considered the opinion of its financial advisor, Dresdner Kleinwort Wasserstein, Inc., or DrKW, that, as of the date of its opinion, the ratio to exchange Genesis Microchip Delaware common stock for Sage common stock was fair, from a financial point of view, to Genesis Microchip. The full text of this opinion, which sets forth the assumptions made, matters considered, and limits on review undertaken, is attached as Annex C to this joint proxy statement/prospectus. Genesis Microchip urges its shareholders to read the opinion of DrKW in its entirety.

Opinion of U.S. Bancorp Piper Jaffray (see page 56)

In deciding to approve the merger, Sage's board of directors considered the opinion of its financial advisor, U.S. Bancorp Piper Jaffray, that, as of the date of its opinion, the ratio to exchange Genesis Microchip Delaware common stock for Sage common stock was fair, from a financial point of view, to the stockholders of Sage. The full text of this opinion, which sets forth the assumptions made, matters considered, and limits on review undertaken, is attached as Annex D to this joint proxy statement/prospectus. Sage urges its stockholders to read the opinion of U.S. Bancorp Piper Jaffray in its entirety.

INTERESTS OF SAGE MANAGEMENT IN THE MERGER

Some of Sage's executive officers have entered into employment agreements with Genesis Microchip in connection with the merger. If Genesis Microchip terminates without cause the employment of these executive officers or if such officers terminate their employment for good reason during a period of up to two years after the merger is consummated, Genesis Microchip must continue to pay such officers' base salary for the six month period following the termination date, such officers will be entitled to continue to participate in benefit plans during that period (or receive a lump sum payment, at the option of Genesis Microchip) and, if the termination occurs within six months after the closing, effective on the termination date, the unvested portion of any option exchanged for options of Genesis Microchip Delaware will vest and such officers will have the right to exercise the option for a twenty-four month period following the termination date.

**SHARE OWNERSHIP OF
GENESIS MICROCHIP MANAGEMENT**

At the close of business on the record date, directors and executive officers of Genesis Microchip together with their affiliates beneficially owned and were entitled to vote approximately _____ Genesis Microchip common shares, which represented less than _____ percent of all outstanding shares of Genesis Microchip common shares entitled to vote at the special general meeting.

**SHARE OWNERSHIP OF
SAGE MANAGEMENT**

At the close of business on the record date, directors and executive officers of Sage together with their affiliates beneficially owned and were entitled to vote approximately _____ shares of Sage common stock which represented approximately _____ of all outstanding shares of Sage common stock entitled to vote at the special meeting.

Each of these directors and some of the executive officers entered into voting agreements with Genesis Microchip, whereby Genesis Microchip has an irrevocable proxy to vote such shares of Sage common stock in favor of the merger.

THE MERGER AGREEMENT

Sage Prohibited from Soliciting Other Offers (see page 70)

Sage has agreed that while the merger agreement is pending, it will not initiate or, subject to some limited exceptions, participate in discussions with any third party regarding some types of extraordinary transactions, such as a merger, business combination or sale of a material amount of assets or capital stock.

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Conditions to Completion of the Merger (see page 72)

Completion of the merger is subject to the satisfaction of a number of conditions, including:

approval of the merger by the Sage stockholders;

approval of the issuance of Genesis Microchip Delaware common stock by the Genesis Microchip shareholders;

consummation of the reorganization of Genesis Microchip; and

Genesis Microchip Delaware's receipt of an opinion of its U.S. tax counsel that the reorganization together with the merger qualifies as a tax-free exchange under the provisions of Section 351 of the United States Internal Revenue Code and Sage's receipt of an opinion of its U.S. tax counsel that the merger constitutes a tax-free reorganization within the meaning of Section 368(a) of the United States Internal Revenue Code.

Termination of the Merger Agreement (see page 74)

Either Genesis Microchip or Sage can terminate the merger agreement if the merger is not completed by May 31, 2002, and under various other circumstances.

Termination Fee (see page 75)

Sage may be required to pay Genesis Microchip a fee of \$9.64 million, plus Genesis Microchip's actual and documented out-of-pocket fees and expenses incurred in connection with the merger (but in any event not to exceed \$1.75 million in the aggregate), if the merger agreement is terminated under certain enumerated circumstances. Genesis Microchip will not be required to pay Sage any fee, or issue any stock to Sage's stockholders, if the merger agreement is terminated for any reason. Sage does not have the right to terminate the transaction solely because of changes in the market price of Genesis Microchip common shares.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER (see page 77)

It is expected that the merger will constitute a tax-free reorganization for United States federal income tax purposes. Accordingly, no gain or loss is expected to be recognized for United States federal income tax purposes by the Sage stockholders upon exchange of their Sage common stock in the merger (except with respect to any cash received in the merger in lieu of any fractional share). It is a condition to the merger that Sage receives an opinion from its United States tax counsel that the merger qualifies as a reorganization within the meaning of Section 368(a) of the United States Internal Revenue Code.

Tax matters can be complicated, and the tax consequences to you of the merger will depend on the facts of your own situation. You are urged to consult your own tax advisors to understand fully the tax consequences of the merger to you.

DISSENTERS' RIGHTS OF APPRAISAL IN THE MERGER (see page 80)

Neither holders of Sage common stock nor holders of Genesis Microchip Delaware common stock will be entitled to dissenters' rights of appraisal in connection with the merger.

ACCOUNTING TREATMENT OF THE MERGER (see page 79)

Genesis Microchip Delaware will account for the merger as a purchase transaction. Under the purchase method of accounting, Genesis Microchip Delaware will measure the purchase price at the fair value of consideration (measured as at the date of agreement and announcement) given for the Sage common stock and for options to purchase Sage common stock assumed by Genesis Microchip Delaware, plus the amount of direct transaction costs. Genesis Microchip Delaware will allocate these costs to the acquired tangible and intangible assets, with any excess purchase price being assigned to goodwill.

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REGULATORY APPROVALS (see page 79)

The merger is subject to United States antitrust law. Genesis Microchip and Sage have made required filings under applicable United States antitrust law with the U.S. Department of Justice and the Federal Trade Commission. The Hart-Scott-Rodino statutory waiting period has expired. A governmental authority or private person could challenge or seek to block the merger under the antitrust laws at any time before or after the merger is completed.

GENESIS MICROCHIP DELAWARE BOARD COMPOSITION (see page 79)

At the closing of the merger:

the board of directors of Genesis Microchip Delaware will consist of seven directors, including five directors from the board of Genesis Microchip; and

Chandrashekar M. Reddy, president and chief executive officer of Sage and N. Damodar Reddy, a member of Sage's board of directors, will be appointed to the Genesis Microchip board.

BUSINESS AND STRUCTURE OF THE COMBINED COMPANY

Genesis Microchip and Sage believe that the transaction will enable the combined company to create a more efficient and competitive participant in the industry for display processor applications by combining the companies' complementary technologies.

Following completion of the merger, Genesis Microchip and Sage plan to combine their businesses. The combined company will be organized into two groups:

Research and Development; and

Sales and Administration.

The Research and Development operations of both Genesis Microchip and Sage located in Silicon Valley, California will be consolidated into one location while operations in Canada and India will remain in their present locations.

The sales, marketing and administrative functions of each of Genesis Microchip and Sage will be consolidated into one functional group. The combined company will have some redundancy potentially resulting in job losses primarily in its sales, marketing and administrative functions.

THE REORGANIZATION

Material Tax Consequences of the Reorganization (see page 111)

Sage and Genesis Microchip stockholders should read carefully the information under "The Reorganization Material Tax Consequences," which qualifies the information set forth below, and should consult their tax advisors. No advance income tax rulings have been or will be sought or obtained with respect to any of the transactions described herein.

United States

It is expected and intended that the reorganization and the merger will be treated, for U.S. federal income tax purposes, as one integrated transaction qualifying as a tax-free exchange with respect to the Genesis Microchip shareholders such that Genesis Microchip shareholders are expected to recognize no gain or loss for United States federal income tax purposes upon exchange of their Genesis Microchip shares for Genesis Microchip Delaware stock in the reorganization.

Canada

The exchange of Genesis Microchip common shares in connection with the reorganization will be taxable to Genesis Microchip shareholders that are Canadian residents. As a result, a Canadian resident Genesis Microchip shareholder will realize a capital gain (or loss) if the fair market value of the Genesis Microchip Delaware shares received exceeds (or is less than) the total of the adjusted cost base of his or her Genesis Microchip common shares and any reasonable costs of disposition. Non-resident Canadian Genesis Microchip shareholders will not be

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subject to Canadian federal income tax on the exchange of Genesis Microchip common shares in connection with the reorganization unless those Genesis Microchip common shares constitute taxable Canadian property within the meaning of the *Income Tax Act* (Canada) and any gains are not otherwise exempt from tax under that Act pursuant to an exemption contained in an applicable income tax treaty or convention.

Rights of Dissent and Dissent Procedures (see page 108)

Genesis Microchip shareholders will be granted dissenters' rights of appraisal pursuant to the plan of arrangement in connection with the reorganization. Genesis Microchip shareholders who properly exercise their dissent rights pursuant to the interim order issued by the Supreme Court of Nova Scotia will be entitled to be paid the fair value of their Genesis Microchip common shares, determined as of the day before the arrangement resolution is passed. The dissent procedures require that a Genesis Microchip shareholder who wishes to dissent must provide Genesis Microchip a dissent notice prior to the termination of the Genesis Microchip special general meeting.

Accounting Treatment of the Reorganization (see page 110)

For accounting purposes, the reorganization will be accounted for as a non-substantive exchange whereby the net assets of Genesis Microchip will be recorded by Genesis Microchip Delaware in its consolidated financial statements initially at the same carrying value as recorded in the consolidated financial statements of Genesis Microchip immediately prior to the reorganization. In addition, the financial position, results of operations and cash flows previously reported by Genesis Microchip prior to the reorganization will be reported unchanged in the comparative period to the consolidated financial statements of Genesis Microchip Delaware.

On an ongoing basis, Genesis Microchip Delaware will continue to assess the recoverability of its deferred tax assets arising in various tax jurisdictions and will review the related valuation allowances as appropriate.

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**GENESIS MICROCHIP
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The selected consolidated statement of operations data of Genesis Microchip for the years ended March 31, 2001 and 2000 and the ten months ended March 31, 1999 and the selected consolidated balance sheet data at March 31, 2001 and 2000 are derived from Genesis Microchip's Annual Report on Form 10-K for its fiscal year ended March 31, 2001 incorporated by reference in this joint proxy statement/prospectus. The selected consolidated statement of operations data for the years ended March 31, 1998 and 1997 and the selected consolidated balance sheet data at March 31, 1999, May 31, 1998 and 1997 are derived from Genesis Microchip's audited consolidated financial statements not included or incorporated by reference in this joint proxy statement/prospectus. The selected consolidated statement of operations data for the six-month periods ended September 30, 2001 and 2000 and selected consolidated balance sheet data as at September 30, 2001 are derived from Genesis Microchip's unaudited consolidated financial statements contained in its Quarterly Report on Form 10-Q for its fiscal quarter ended September 30, 2001 incorporated by reference in this joint proxy statement/prospectus. The unaudited September 30, 2001 and 2000 financial information reflects all adjustments, consisting solely of normal recurring adjustments, which are, in the opinion of management, necessary to a fair presentation of the results for the periods presented. The operating results for the six months ended September 30, 2001 are not necessarily indicative of results that may be expected for the year ending March 31, 2002 or any other interim period of future fiscal years. The historical data are only a summary, and you should read them in conjunction with the historical financial statements and related notes contained in the annual and quarterly reports of Genesis Microchip which have been incorporated by reference into this joint proxy statement/prospectus.

Genesis Microchip

Selected Consolidated Financial Data

	Six Months Ended September 30,		Year Ended March 31,		Ten Months Ended March 31,	Year Ended May 31,		
	2001	2000	2001	2000	1999	1998	1997	
	(unaudited)		(in thousands of U.S. dollars, except per share data)					
Consolidated Statement of Operations Data:								
Revenues	\$57,443	\$27,852	\$63,627	\$53,332	\$37,738	\$15,988	\$4,527	
Cost of revenues	30,910	9,957	32,416	17,021	14,062	4,869	2,983	
Gross profit	26,533	17,895	31,211	36,311	23,676	11,119	1,544	
Operating expenses:								
Research and development	9,385	8,465	17,413	16,065	10,261	6,210	2,888	
Selling, general and administrative	8,754	6,742	15,947	12,364	10,307	6,137	4,833	
Merger related costs				3,455				
Total operating expenses	18,139	15,207	33,360	31,884	20,568	12,347	7,721	
Income (loss) from operations	8,394	2,688	(2,149)	4,427	3,108	(1,228)	(6,177)	
Interest and other income	753	1,253	2,328	1,941	1,436	773	184	
Income (loss) before income taxes	9,147	3,941	179	6,368	4,544	(455)	(5,993)	
Provision for (recovery of) income taxes	918	411	(2,483)	360	(986)			
Net income (loss)	\$ 8,229	\$ 3,530	\$ 2,662	\$ 6,008	\$ 5,530	\$ (455)	\$(5,993)	
Earnings (loss) per share:								
Basic	\$ 0.41	\$ 0.18	\$ 0.14	\$ 0.32	\$ 0.31	\$ (0.04)	\$ (0.63)	
Diluted	0.37	0.18	0.13	0.30	0.29	(0.04)	(0.63)	
Shares used in computing earnings (loss) per share:								
Basic	20,211	19,241	19,406	18,756	18,027	11,634	9,447	
Diluted	22,024	19,902	19,884	19,922	19,365	11,634	9,447	

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Genesis Microchip
Selected Consolidated Financial Data

	September 30, 2001	March 31, 2001	March 31, 2000	March 31, 1999	May 31, 1998	May 31, 1997
	(unaudited)		(in thousands of U.S. dollars)			
Consolidated Balance Sheet Data:						
Cash and cash equivalents	\$ 57,344	\$32,827	\$42,942	\$38,479	\$38,421	\$ 4,734
Working capital	80,287	53,190	50,661	50,131	43,008	7,754
Other assets	687	642	565	80	80	80
Total assets	105,515	81,446	71,791	64,815	51,423	11,027

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Total long-term debt, net of current portion	319	410	518	504	655	794
Total shareholders' equity	97,344	70,389	65,247	55,408	47,164	8,820

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SAGE SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The selected consolidated statement of operations data for the fiscal years ended March 31, 2001, 2000 and 1999, and selected consolidated balance sheet data at March 31, 2001 and 2000, are derived from Sage's Annual Report on Form 10-K for its fiscal year ended March 31, 2001 incorporated by reference in this joint proxy statement/prospectus. The selected consolidated balance sheet data at September 30, 2001 and statement of operations data for the six-month periods ended September 30, 2001 and 2000 are derived from Sage's unaudited consolidated financial statements contained in its Quarterly Report on Form 10-Q for its fiscal quarter ended September 30, 2001 incorporated by reference in this joint proxy statement/prospectus. The selected consolidated statement of operations data for the fiscal years ended March 31, 1998 and 1997, and selected consolidated balance sheet data at March 31, 1999, 1998 and 1997, are derived from Sage's audited consolidated financial statements not included or incorporated by reference in this joint proxy statement/prospectus. The consolidated financial statements for the five fiscal years ended March 31, 2001 have been audited by PricewaterhouseCoopers LLP, independent accountants. Sage's unaudited consolidated financial statements have been prepared by Sage on a basis consistent with its audited financial statements and, in management's opinion, included all adjustments necessary for a fair presentation of such information. The operating results for the six months ended September 30, 2001 are not necessarily indicative of results that may be expected for the year ending March 31, 2002 or any other interim period of future fiscal years. The historical data are only a summary, and you should read them in conjunction with the historical financial statements and the related notes contained in the annual and quarterly reports of Sage which have been incorporated by reference into this joint proxy statement/prospectus.

**Sage
Selected Consolidated Financial Data**

	Six Months Ended September 30,		Year Ended March 31,				
	2001	2000	2001	2000	1999	1998	1997
(in thousands of U.S. dollars, except per share data)							
Consolidated Statement of Operations Data:							
Revenues	\$17,971	\$15,074	\$ 31,399	\$17,881	\$7,132	\$1,495	\$1,758
Cost of revenues	10,196	7,728	16,898	10,026	4,914	1,639	1,136
Gross profit (loss)	7,775	7,346	14,501	7,855	2,218	(144)	622
Operating expenses:							
Research and development	5,488	3,753	8,239	4,363	2,908	1,597	994
Charge for in process technology		7,200	7,200	2,500			
Selling, general and administration	7,212	5,826	12,302	6,509	4,172	945	329
Business combination expenses	1,136						
Amortization of intangible assets	1,285	7,438	19,310				
Impairment of intangible assets			91,463				
Total operating expenses	15,121	24,217	138,514	13,372	7,080	2,542	1,323
Loss from operations	(7,346)	(16,871)	(124,013)	(5,517)	(4,862)	(2,686)	(701)
Interest income (expenses), net	838	1,537	2,932	922	111	(89)	(7)
Net loss	\$ (6,508)	\$ (15,334)	\$ (121,081)	\$ (4,595)	\$ (4,751)	\$ (2,775)	\$ (708)
Net loss per share: basic and diluted	\$ (0.47)	\$ (1.28)	\$ (9.48)	\$ (1.04)	\$ (2.00)	\$ (1.08)	\$ (0.32)

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Shares used in computing net loss per share: basic and diluted	13,959	12,014	12,776	4,414	2,381	2,578	2,246
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	March 31,					
	September 30, 2001	2001	2000	1999	1998	1997
(unaudited)						
Consolidated Balance Sheet Data:						
Cash and cash equivalents	\$31,731	\$ 22,344	\$20,157	\$2,473	\$ 380	\$ 908
Short term marketable securities	6,589	19,040	18,799			
Working capital	46,227	49,333	40,097	1,471	(1,440)	357
Total assets	67,888	72,570	45,411	4,293	1,309	1,692
Total stockholders' equity	61,981	65,959	41,277	1,903	(972)	538

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SELECTED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

The selected unaudited pro forma consolidated financial information should be read in conjunction with the audited consolidated financial statements and the unaudited interim consolidated financial statements of Genesis Microchip and Sage incorporated by reference into this joint proxy statement/prospectus.

**Genesis Microchip Delaware and Sage
Selected Unaudited Pro Forma Consolidated Financial Data
(in thousands of U.S. dollars, except per share data)**

	Year Ended March 31, 2001	Six Months Ended September 30, 2001
Consolidated Statement of Operations Data:		
Revenues	\$ 96,694	\$ 75,414
Cost of revenues	49,277	41,106
Gross profit	47,417	34,308
Operating expenses:		
Research and development	32,882	17,860
Selling, general and administrative	37,555	18,952
Charge for in-process technology		
Amortization of intangible assets	200	100
Impairment of intangible assets	91,463	
Amortization of acquired technology	10,625	5,313
Business combination expenses		1,136
Total operating expenses	172,725	43,361
Loss from operations	(125,308)	(9,053)
Interest and other income	5,458	1,591
Loss before income taxes	(119,850)	(7,462)
Recovery of income taxes	(11,591)	(3,636)

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Loss for the period	\$(108,259)	\$ (3,826)
Loss per share:		
Basic and diluted	\$ (4.05)	\$ (0.14)
Shares used in computing loss per share (in thousands):		
Basic and diluted	26,701	28,182

September 30, 2001

Consolidated Balance Sheet Data:

Cash and cash equivalents	\$ 89,075
Short-term marketable securities	6,589
Working capital	120,829
Total assets	357,290
Total long-term debt, net of current portion	319
Shareholders' equity	314,285

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COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

In the following tables, we provide you with certain historical per share data and combined per share data on an unaudited pro forma basis after giving effect to the merger assuming that 0.571 of a share of common stock of Genesis Microchip Delaware is issued in exchange for each share of common stock of Sage. This data should be read together with the selected historical financial data set forth herein and the historical financial statements of Genesis Microchip and Sage and the notes thereto that are incorporated by reference into this joint proxy statement/prospectus.

The pro forma information is presented for illustrative purposes only. You should not rely on the pro forma financial information as an indication of the combined financial position or results of operation of future periods or the results that actually would have been realized had the entities been a single entity during the periods presented.

Genesis Microchip Historical Data

	Genesis Microchip
Net income per share (diluted):	
Year ended March 31, 2001	\$0.13
Six months ended September 30, 2001	\$0.37
Book value per share (1):	
March 31, 2001	\$3.60
September 30, 2001	\$4.64

Sage Historical Data

	Sage
Loss per share (basic and diluted):	
Year ended March 31, 2001	\$(9.48)
Six months ended September 30, 2001	\$(0.47)
Book value per share (1):	
March 31, 2001	\$4.74
September 30, 2001	\$4.35

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	Genesis Microchip Delaware Pro Forma Consolidated	Sage Equivalent Pro Forma Consolidated (2)
Net income (loss) per share (diluted) (3):		
Year ended March 31, 2001	\$(4.05)	\$(2.31)
Six months ended September 30, 2001	\$(0.14)	\$(0.08)
Book value per share:		
September 30, 2001	\$10.79	\$6.16

- (1) Historical book value per share is computed by dividing stockholders' equity by the number of shares of Genesis Microchip or Sage common stock outstanding at the end of each period. Pro forma book value per share is computed by dividing pro forma stockholders' equity by the pro forma number of shares of Genesis Microchip Delaware common stock outstanding at the end of each period.
- (2) The Sage equivalent pro forma combined per share amounts are calculated by multiplying Genesis Microchip Delaware combined pro forma share amounts by the exchange ratio for the merger (e.g., 0.571).
- (3) Genesis Microchip Delaware's pro forma consolidated net income per share for the year ended March 31, 2001 combines Genesis Microchip's net income for the fiscal year ended March 31, 2001 and Sage's net income for the fiscal year ended March 31, 2001. Genesis Microchip Delaware's pro forma consolidated net income per share for the six months ended September 30, 2001 combines Genesis Microchip's net income for the six month period ended September 30, 2001 and Sage's net income for the six month period ended September 30, 2001.

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COMPARATIVE PER SHARE MARKET PRICE DATA

Sage common stock has traded on the Nasdaq National Market under the symbol SAGI since November 11, 1999. Genesis Microchip common shares are traded on the Nasdaq National Market under the symbol GNSS.

The following table sets forth, for the quarters indicated, the high and low prices per share of Genesis Microchip common shares and Sage common stock as reported on the Nasdaq National Market.

	Genesis Microchip Common Shares		Sage Common Stock	
	High	Low	High	Low
Calendar year ended December 31, 1999				
First quarter	\$35.000	\$22.000		
Second quarter	\$27.563	\$17.063		
Third quarter	\$29.625	\$16.750		
Fourth quarter	\$26.750	\$15.688	\$25.750	\$19.188
Calendar year ended December 31, 2000				
First quarter	\$24.875	\$15.250	\$45.625	\$19.938
Second quarter	\$21.000	\$15.375	\$20.625	\$ 8.250
Third quarter	\$20.125	\$16.625	\$13.000	\$ 8.125
Fourth quarter	\$18.250	\$ 8.563	\$20.875	\$ 7.063
Calendar year ended December 31, 2001				
First quarter	\$18.875	\$ 9.313	\$17.250	\$ 5.875
Second quarter	\$37.400	\$ 8.375	\$15.500	\$ 5.125
Third quarter	\$36.000	\$19.700	\$18.600	\$11.150
Fourth quarter (through November 30, 2001)	\$58.200	\$26.700	\$32.680	\$14.590

The following table shows the high and low prices per share of Sage common stock and Genesis Microchip common shares each as reported on the Nasdaq National Market on September 27, 2001, the last full trading day preceding public announcement that Genesis Microchip and Sage had entered into the merger agreement, and on November 30, 2001, the last full trading day for which high and low prices were available at the time of the printing of this document.

	Genesis Microchip Common Shares		Sage Common Stock		Sage Equivalent Price per Share	
	High	Low	High	Low	High	Low
September 27, 2001	\$29.050	\$24.910	\$11.790	\$10.220	\$16.590	\$14.220
November 30, 2001	\$59.440	\$56.000	\$33.300	\$31.500	\$33.940	\$31.980

The estimated equivalent per share price of Sage common stock equals the exchange ratio of 0.571 multiplied by the price of a share of Genesis Microchip Delaware common stock. We urge you to obtain current market quotations for Genesis Microchip common shares and Sage common stock. We cannot assure you as to the market prices of Genesis Microchip common shares and Sage common stock at any time prior to the completion of the merger or as to the market price of Genesis Microchip common stock at any time.

Neither Genesis Microchip nor Sage has ever paid dividends, and neither company has any present intention to do so.

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STRUCTURE OF THE REORGANIZATION AND THE MERGER

The Reorganization

To effect the reorganization of Genesis Microchip Incorporated from a Nova Scotia company to a Delaware corporation, Genesis Microchip Incorporated formed a Delaware subsidiary, Genesis Microchip Inc. Genesis Microchip Inc. incorporated Genesis Microchip Nova Scotia Corp., which we refer to as Genesis NSULC, which is a wholly owned subsidiary and a Nova Scotia unlimited liability company created solely to facilitate the reorganization. Genesis NSULC will not engage in any operations during any period of its existence. After the reorganization is completed, Genesis NSULC will continue to be a wholly owned subsidiary of Genesis Microchip Inc. At the time of the reorganization, each common share of Genesis Microchip will be exchanged for a share of Genesis Microchip Inc. common stock.

The organization of the company before and after the reorganization is illustrated below:

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The Merger

Following completion of the reorganization, a subsidiary of Genesis Microchip Inc. will be merged into Sage. The organization of the company before and after the merger is illustrated below:

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RISK FACTORS

You should carefully consider the risks described below regarding the merger, the reorganization and the combination of the business of Genesis Microchip and Sage following the merger, together with all of the other information included in this joint proxy statement/prospectus and along with any other risk factors in documents incorporated by reference, before making a decision about voting on the proposals submitted for your consideration.

Risks Related to the Merger

The following risk factors relate to the merger between Genesis Microchip Delaware and Sage. The merger cannot be completed unless the reorganization of Genesis Microchip, a Nova Scotia company, to Genesis Microchip Delaware, a Delaware corporation, is completed. Following the reorganization, Genesis Microchip Delaware will be the parent company and Genesis Microchip, the Nova Scotia company, will become a subsidiary of the Delaware corporation.

A number of factors, including the failure to retain existing customers of both businesses and the failure to retain key employees, could impair the combined company's ability to successfully integrate the business of Sage with Genesis Microchip Delaware, which could harm the combined company's business, financial condition and operating results.

After the merger, Genesis Microchip Delaware and Sage, each of which had previously operated independently of the other, will need to integrate their respective operations. The integration will require significant efforts by the combined company, including the coordination of product plans, research and development, sales and marketing efforts, and finance and administration activities. The combined company will have a large number of employees in widely dispersed operations in California, Canada, India and other locations, which will increase the difficulty of integrating operations. The challenges involved in integrating the two businesses include, but are not limited to, the following:

retaining existing customers of each business;

retaining and integrating management and other key employees of each of Genesis Microchip Delaware and Sage to pursue the business objectives of the combined company;

consolidating product plans and coordinating research and development activities to permit efficient time-to-market introductions and time-to-volume production for new products and technologies;

integrating purchasing and procurement operations in multiple locations;

integrating sales efforts so that customers can do business easily with the combined company;

transitioning all facilities to common accounting and information technology systems;

developing and maintaining uniform standards, controls, procedures and policies;

maximizing efficiency of operations by eliminating redundant functions, centralizing functions in one location to the extent possible and discontinuing unprofitable lines of business; and

controlling the costs associated with integration.

It is not certain that Genesis Microchip Delaware and Sage will be successfully integrated in a timely manner or at all or that any of the anticipated benefits will be realized. The risks of unsuccessful integration of the companies include:

impairment and/or loss of relationships with employees, customers and/or suppliers;

disruption of the combined company's business;

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distraction of management; and

adverse financial results related to unanticipated expenses associated with integration of the two businesses.

The combined company may not succeed in addressing these risks. The combined company will operate in a highly competitive industry. Average selling prices for flat panel display applications and other electronics applications are expected to continue to decline, demand is expected to continue to be volatile and industry margins are expected to continue to be tight, heightening the potential risks of a failure to achieve successful integration or expected cost reductions. Further, neither Genesis Microchip Delaware nor Sage can assure you that the growth rate of the combined company will equal the historical growth rates experienced by Genesis Microchip or Sage considered separately.

Because Sage stockholders will receive a fixed ratio of 0.571 of a share of Genesis Microchip Delaware common stock for each share of Sage common stock, regardless of any changes in market value of Sage common stock, Genesis Microchip common shares or Genesis Microchip Delaware common stock before the completion of the merger, the actual value of the consideration to be paid in the merger to Sage stockholders will not be certain until the merger occurs.

Upon completion of the merger, each share of Sage common stock will be converted into the right to receive 0.571 of a share of Genesis Microchip Delaware common stock (subject to adjustment to reflect the effect of any stock split, stock dividend, recapitalization, reclassification or the like with respect to shares of Genesis Microchip or Genesis Microchip Delaware or Sage common stock). This exchange ratio is fixed, and there will be no adjustment for changes in the market price of Genesis Microchip common shares, Genesis Microchip Delaware common

stock or Sage common stock, and Sage is not permitted to withdraw from the merger or resolicit the vote of its stockholders solely because of changes in the market price of Genesis Microchip common shares, Genesis Microchip Delaware common stock or Sage common stock. In reaching their respective decisions to approve the merger agreement, the board of directors of each of Genesis Microchip and Sage, considered, among other factors, in exercising their fiduciary duties, this fixed exchange ratio and the percentages of the combined company that will be held by the former stockholders of Genesis Microchip and Sage following the merger. Following the reorganization and immediately prior to the merger, Genesis Microchip common shares will cease to be traded on the Nasdaq National Market and shares of Genesis Microchip Delaware common stock will be listed on the Nasdaq National Market under the symbol GNSS. Accordingly, the dollar value of Genesis Microchip Delaware common stock that Sage stockholders will receive upon completion of the merger will depend on the market value of Genesis Microchip Delaware common stock at the time of completion of the merger, which may be different than the market value of Genesis Microchip common shares on September 27, 2001 or January , 2002. The share prices of each company are subject to price fluctuations in the market for publicly traded equity securities, and each has experienced historical volatility. We cannot predict the market prices for either Genesis Microchip common shares, Genesis Microchip Delaware common stock or Sage common stock at any time before the completion of the merger or the market price of Genesis Microchip Delaware common stock after completion of the merger. Sage stockholders are therefore urged to obtain current market quotations. The merger will not be completed until the reorganization of Genesis Microchip from a Nova Scotia company to a Delaware corporation has been completed and all regulatory approvals have been obtained and other closing conditions have been satisfied or waived. We cannot assure you that the value of the Genesis Microchip Delaware common stock that you will receive in the merger will not decline prior to or after the merger.

If the reorganization is not approved by the shareholders of Genesis Microchip and the Supreme Court of Nova Scotia, the merger cannot be completed.

Under the terms of the merger agreement, the reorganization of Genesis Microchip from a Nova Scotia company to a Delaware corporation must be completed in order to complete the merger with Sage. The *Companies Act* (Nova Scotia), which applies to Genesis Microchip, requires the affirmative vote of at least a

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majority of the number of shareholders of Genesis Microchip present, in person or by proxy, at the Genesis Microchip special general meeting, as well the affirmative vote of at least seventy-five percent of the common shares of Genesis Microchip shares present, in person or by proxy, at the special general meeting in order to approve the reorganization. The reorganization also must be approved by the Supreme Court of Nova Scotia. Even if Genesis Microchip shareholders approve the issuance of Genesis Microchip Delaware common stock in the merger, if the reorganization is not approved, the merger will not be consummated.

The operating histories of Genesis Microchip and Sage make it difficult for you to evaluate the business of the combined company after the merger.

Genesis Microchip commenced operations in 1987, but did not achieve profitability until 1997. Sage commenced operations in 1995, but did not generate material revenues from the sale of its semiconductor products until 1998. Sage incurred net losses of \$4.8 million, \$4.6 million and \$121.1 million for each of the years ended March 31, 1999, 2000 and 2001, respectively, and had an accumulated deficit of \$140 million as of September 30, 2001. Thus, the operating histories of the two companies make it difficult to evaluate current business and prospects and predict future results of operations of the combined company. Most of the expenses of both Genesis Microchip and Sage have been relatively fixed in the short term, and the combined company may not be able to quickly reduce spending if revenues are lower than projected. In addition, because substantially all of the present customers of Genesis Microchip and Sage have ordered on a purchase order basis rather than on long-term purchase commitments, there is only a limited ability to project future revenues. An inability to reduce spending in response to any unanticipated declines in revenues would harm the business, financial condition and results of operations of the combined company.

The directors and officers of Sage have interests in the merger that are different from, or in addition to, the interests of Sage stockholders generally. These interests could have affected their decision to enter into the merger agreement and agree to the merger.

The directors and officers of Sage have interests in the merger and participate in arrangements that are different from, or are in addition to, those of Sage stockholders generally. These include the following:

executives of Sage have entered into employment agreements with Genesis Microchip that will become effective upon completion of the merger, which agreements entitle them to, among other benefits, options to purchase shares of the combined company's common stock following the merger and receipt of severance payments and accelerated vesting of assumed options in the event of a termination under various circumstances;

all directors and some of the executive officers of Sage have entered into voting agreements with Genesis Microchip under which they give Genesis Microchip the right to vote their Sage shares in favor of adopting the merger agreement and the merger;

two directors of Sage, Chandrashekar M. Reddy and N. Damodar Reddy, will become directors of the combined company; and

directors and officers of Sage are entitled to specified indemnification rights.

Sage stockholders should consider whether their interests might have influenced these directors and officers to support or recommend the merger. As of the close of business on the record date for the special meeting of Sage stockholders at which the merger agreement and the merger will be presented and voted upon, Sage's officers and directors, and their respective affiliates, together beneficially owned approximately _____ shares of Sage common stock, excluding options to purchase Sage common stock that were unexercised as of the record date, which represented approximately _____ % of all outstanding shares of Sage common stock entitled to vote at the special meeting. See the section entitled "The Merger and Related Transactions - Interests of Sage Directors and Officers in the Merger" beginning on page 62 of this joint proxy statement/prospectus.

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As a result of the merger, some customers who purchased products from both Genesis Microchip and Sage prior to the merger may curtail or not do business with the combined company, which could cause a decline in the sales of the combined company.

Customers who have historically purchased products from both Genesis Microchip and Sage may seek additional or alternative solutions following the merger. These customers may diversify their purchases by qualifying products from other suppliers and reducing their purchases from the combined company. The flat panel display applications industry is intensely competitive. The loss or reduction in sales to historical customers of Genesis Microchip and Sage would harm the business, financial condition and results of operations of the combined company.

Genesis Microchip and Sage may lose key customers, sales representatives, foundries, licensees, vendors, other business partners and employees due to uncertainties regarding the merger which could seriously harm the combined company.

Customers of Genesis Microchip and/or Sage may, in response to the announcement of the merger, delay or defer purchasing decisions or elect to switch to other suppliers. Any delay, deferral or change in purchasing decisions by the customers of Genesis Microchip or Sage could seriously harm the business of the combined company. Sales representatives, foundries, licensees, vendors and others doing business with Genesis Microchip or Sage may experience uncertainty about their future role with the combined company. Similarly, employees of Genesis Microchip or Sage may experience uncertainty about their future role with the combined company until or after strategies with regard to the combined company are announced or executed. This may adversely affect the combined company's ability to attract and retain key management, marketing and technical personnel. The loss of a significant group of key technical personnel would seriously harm the product development efforts of the combined company. The loss of key sales personnel could cause the combined company to lose relationships with existing customers, which could cause a decline in the sales of the combined company.

Genesis Microchip and Sage may be unable to attain the regulatory approvals required to complete the merger.

Genesis Microchip and Sage intend to comply with the antitrust laws of the United States and any other jurisdiction in which the merger is subject to review. However, the reviewing authorities may not permit the merger at all or may impose restrictions or conditions as a condition to approving the merger, such as mandatory licenses or divestitures, that may impact the combined company if the merger were completed. It is a condition to completing the merger that all waiting periods under applicable antitrust laws expire or are terminated and that Sage and Genesis Microchip obtain all governmental approvals without which the consummation of the merger would be prohibited. The Hart-Scott-Rodino statutory waiting period has expired.

Genesis Microchip and Sage may also agree to restrictions or conditions imposed by antitrust authorities in order to obtain regulatory approval, and these restrictions or conditions could harm the combined company's business. No additional shareholder approval is expected to be required or sought for any decision by Genesis Microchip or Sage, after the special general meeting of Genesis Microchip's shareholders and the special meeting of Sage's stockholders, to agree to any terms and conditions necessary to resolve any regulatory objections to the merger, and stockholder approval will not be sought unless such stockholder approval is required to approve such terms and conditions under applicable law.

In addition, after the statutory waiting periods, and even after completion of the merger, governmental authorities could challenge or seek to block the merger as they deem necessary or desirable in the public interest. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Genesis Microchip and Sage cannot assure you that a challenge to the merger will not be made or that, if a challenge is made, Genesis Microchip and Sage will prevail.

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Failure to complete the merger could result in payment of a substantial termination fee, could cause Genesis Microchip's and/or Sage's stock price to decline and could harm the future business and operations of Genesis Microchip and Sage.

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The merger agreement contains conditions which Genesis Microchip and Sage must meet in order to complete the merger. In addition, the merger agreement may be terminated by either Genesis Microchip or Sage under certain circumstances. If the merger is not completed, Genesis Microchip and Sage may be subject to the following material risks, among others:

Sage may be required to pay Genesis Microchip a termination fee of \$9.64 million, plus Genesis Microchip's actual out-of-pocket fees expenses incurred in connection with the merger (but in any event not to exceed \$1.75 million in the aggregate);

the price of Genesis Microchip common shares and Sage common stock may decline to the extent that the current market prices of Genesis Microchip common shares and Sage common stock reflect a market assumption that the merger will be completed;

Genesis Microchip's and Sage's costs related to the merger, such as legal, accounting, financial printing and a portion of the financial advisory fees, must be paid even if the merger is not completed; and

The reorganization will be completed and Genesis Microchip's costs related to the reorganization, such as legal, accounting, and financial printing fees, must be paid.

Further, if the merger agreement is terminated and the board of directors of either Genesis Microchip or Sage decide to seek another merger or business combination, Genesis Microchip and Sage may not find an equivalent or more attractive merger candidate. In addition, while the merger agreement is in effect and subject to limited exceptions described on page 70 of this joint proxy statement/prospectus, Sage is generally prohibited from soliciting, initiating, encouraging, knowingly facilitating or inducing any inquiry with respect to, participating in any discussions or negotiations regarding, or entering into, extraordinary transactions, such as a merger, sale of assets or other business combination with any other party.

Future operating results of the combined company could be adversely affected as a result of purchase accounting treatment and the impact of amortization and impairment of intangible assets and stock compensation expense relating to the merger.

In accordance with United States generally accepted accounting principles, Genesis Microchip Delaware will account for the merger using the purchase method of accounting. Any accounting charges could negatively impact reported earnings. Under the purchase method of accounting, Genesis Microchip Delaware will record the market value of the Genesis Microchip Delaware common stock issued in connection with the merger, the fair value of the options to purchase Sage common stock that become options to purchase Genesis Microchip Delaware common stock and the amount of direct transaction costs as the cost of acquiring the business of Sage. Genesis Microchip Delaware will allocate that cost to the individual assets acquired and liabilities assumed, including various identifiable intangible assets (such as acquired technology and acquired trademarks and trade names) and to in-process research and development, based on their respective fair values at the date of the completion of the merger. The amount allocated to the intangible assets will be required to be amortized prospectively over their estimated useful lives. The purchase price will also be allocated to deferred compensation, based on the portion of the intrinsic value of the unvested Sage stock options assumed by Genesis Microchip Delaware to the extent that service is required after completion of the merger in order to vest.

Any excess of the purchase price over those fair market values will be accounted for as goodwill. Genesis Microchip Delaware will not be required to amortize goodwill against income but will be subject to an annual test for impairment or on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment has been incurred.

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During the fourth quarter of the year ended March 31, 2001, Sage experienced lower than expected rates of growth, lower projected revenues and profitability from acquired operations and a decline in market capitalization, among other factors, Sage recorded an impairment charge of \$91.5 million to goodwill arising from Sage's acquisition of Faroudja.

Management of the combined company will consider these and other factors in performing the annual test for impairment. A determination of impairment could result in a material charge to operations in a period in which an impairment loss is incurred.

Genesis Microchip and Sage expect to incur significant costs associated with the merger, regardless of whether the merger is completed.

Genesis Microchip estimates that it will incur direct transaction costs of approximately \$ million associated with the merger, which will be included as a part of the total purchase cost for accounting purposes. Sage incurred a \$1.1 million expense through September 30, 2001 and it estimates that it will incur additional direct transaction costs of approximately \$ million in connection with the merger, which will be expensed in each quarter that such costs are incurred. We believe that the combined company may incur charges to operations, which are not currently reasonably estimable, in the quarter in which the merger is completed or the following quarters, to reflect costs associated with integrating the two companies. The combined company may incur additional material charges in subsequent quarters to reflect additional costs associated with the merger, which would seriously harm the business of the combined company. If the benefits of the merger do not exceed the costs associated with the merger, including any dilution to Genesis Microchip Delaware's stockholders, the combined company's financial results could suffer and the market price of the combined company's common stock could decline.

Risks Related to the Combined Company's Business Following the Merger

The following risk factors relate to the combined company and assume that the reorganization and the merger have been completed.

The combined company's success will depend on demand for flat panel display applications and other display applications.

The combined company's ability to generate increased revenues will depend on the growth of the demand for flat panel display applications. If the flat panel display industry does not grow, demand for our products may decrease and, as a result, revenues of the combined company may suffer. This industry is at an early stage of development. The combined company's continued growth will also depend upon demand for other display applications, including digital CRT monitors, and for other consumer electronics, such as home theater, DVD, flat screen and digital television, and HDTV. Certain of Sage's Faroudja-branded products address segments that are not now and may never become substantial commercial segments. Moreover, the combined company's ability to generate increased revenues is dependent on consumer willingness to adopt flat panel displays instead of traditional CRT monitors. Presently, flat panel display technology competes directly with the dominant, industry standard CRT technology. The potential number of display applications and the timing of their development is uncertain and will depend in particular upon:

- a significant reduction in the costs of products;
- the availability of components such as LCDs required by such products; and
- the emergence of competing technologies.

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Genesis Microchip and Sage expect that a substantial portion of the combined company's revenues will be derived from sales to customers for flat panel display applications. These and other potential applications may not develop as expected, which would harm the combined company's operating results.

The combined company's products may not be accepted for flat panel display applications and other emerging applications.

The combined company's success in the industry for flat panel display applications, as well as digital CRTs, home theater, DVD, flat panel and digital television, HDTV and other applications will depend upon the extent to which manufacturers of those products incorporate the combined company's integrated circuits into their products. The combined company's ability to sell products for these applications will depend upon demand for the functionality provided by the combined company's products. The failure of the combined company's products to be accepted in flat panel display applications in particular would harm the combined company's business.

The combined company must develop new products and enhance existing products to meet OEM design requirements and design cycles.

The combined company must develop new products and enhance existing products with improved technologies to meet rapidly evolving customer requirements and industry standards. The combined company needs to design products for customers that continually require higher functionality at lower costs. This requires the combined company to continue to add features to its products. The development process for these advances is lengthy and will require the combined company to accurately anticipate technological innovations and market trends.

If the combined company fails to effectively develop and introduce new products or product enhancements, that failure will harm our business. The combined company must integrate technologies previously developed by Genesis Microchip and Sage to create consolidated product plans. Failure to integrate product plans in a timely manner could impair the combined company's ability to meet design requirements and design cycles of OEM customers. Any new products or product enhancements may not be accepted in new or existing markets.

In addition, as customer requirements and industry standards evolve, the combined company may incur charges related to excess and obsolete inventory. In this regard, in the March 2001 quarter Genesis Microchip incurred costs of \$5.5 million attributable to a write-down of prior-generation products and initial low manufacturing yield associated with one of Genesis Microchip's new products.

Likewise, Genesis Microchip and Sage are developing consumer video products that are designed to conform to certain current video processing industry standards. However, there can be no assurance that manufacturers will continue to follow these standards or that more desirable standards will not emerge. The acceptance of the combined company's products also depends in part upon content providers developing and marketing content for end-user systems, such as video and audio playback systems, in a format compatible with the combined company's products. There can be no assurance that these or other factors beyond the combined company's control will not adversely affect the development of markets for the combined company's products.

The combined company will face intense competition and may not be able to compete effectively.

The combined company will compete with both large companies and start-up companies, including Macronix International Co., Ltd., Trumion Microelectronics, Topro Technology Inc., SmartASIC, Philips Semiconductors, a division of Philips Electronics N.V., Pixelworks, Inc., and ST Microelectronics N.V. The combined company's business could be harmed by these existing competitors announcing or introducing new products. Also, Genesis Microchip and Sage anticipate that as sales in the industry increase, current customers may increase or initiate internal supply of their own products and competition from diversified electronic and semiconductor companies will intensify. The flat panel display product space in which the combined company

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will compete is experiencing rapid growth. The rapid growth in display applications is likely to attract larger competitors, such as National Semiconductor Corp., Texas Instruments Inc., Analog Devices Inc. and other companies with significant patent portfolios and financial and operational resources to draw upon. The combined company may not have adequate financial and operational resources available to compete effectively against these larger competitors. This increased competition could harm the combined company's business, by, for example, increasing pressure on profit margins or causing the combined company to lose customers or sales opportunities.

A large percentage of each of Genesis Microchip's and Sage's revenues come from sales to a small number of large customers.

Genesis Microchip's and Sage's customers are large consumer electronics companies with tremendous purchasing power and sales are derived from a limited number of customers. Sales to Genesis Microchip's five largest customers accounted for 60.3% of Genesis Microchip's revenues for the three months ended September 30, 2001. Sales to each of Samsung Electronics Co., Ltd., Acer Communications and Multimedia, LG Electronics Inc. and AOC International/Top Victory Electronics accounted for greater than 10% of Genesis Microchip's revenues for the three months ended September 30, 2001. Sales to Sage's five largest customers accounted for 44.9% of Sage's revenues for the three months ended September 30, 2001. Sales to each of Compal Electronics, Inc. and Panasonic accounted for greater than 10% of Sage's revenues for the three months ended September 30, 2001. Genesis Microchip and Sage expect that a small number of customers will continue to account for a large amount of the combined company's revenues. All of Genesis Microchip's and Sage's sales are made on the basis of purchase orders rather than long-term agreements so that any customer could cease purchasing products at any time without penalty. The decision by any large customer to decrease or cease using Genesis Microchip and Sage products would harm the combined company's business.

Genesis Microchip's and Sage's semiconductor products are complex and are difficult to manufacture cost-effectively.

The manufacture of semiconductors is a complex process. It is often difficult for semiconductor foundries to achieve acceptable product yields. Product yields depend on both product design and the manufacturing process technology unique to the semiconductor foundry. Since low yields may result from either design or process difficulties, identifying yield problems can only occur well into the production cycle, when actual product exists which can be analyzed and tested.

Defects in the combined company's products could increase costs and delay product shipments.

Although Genesis Microchip and Sage test their products, they are complex and may contain defects and errors. In the past Genesis Microchip and Sage have encountered defects and errors in our products. Delivery of products with defects or reliability, quality or compatibility problems may damage the combined company's reputation and our ability to retain existing customers and attract new customers. In addition, product defects and errors could result in additional development costs, diversion of technical resources, delayed product shipments, increased product returns, and product liability claims against us which may not be fully covered by insurance. Any of these could harm the combined company's business.

Genesis Microchip and Sage subcontract manufacturing, assembly and test operations.

Genesis Microchip and Sage do not have their own fabrication facilities, assembly or testing operations. Instead, Genesis Microchip and Sage rely on others to fabricate, assemble and test all products. No single product used by Sage is purchased from more than one supplier. There are many risks associated with the combined company's dependence upon outside manufacturing, including:

reduced control over manufacturing and delivery schedules of products;

potential political or environmental risks in the countries where the manufacturing facilities are located;

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reduced control over quality assurance;

difficulty of management of manufacturing costs and quantities;

lack of control over contracts for the manufacture of products;

potential lack of adequate capacity during periods of excess demand; and

potential unauthorized use of intellectual property.

The combined company will depend upon outside manufacturers to fabricate silicon wafers on which integrated circuits are imprinted. These wafers must be of acceptable quality and in sufficient quantity and the manufacturers must deliver them to assembly and testing subcontractors on time for packaging into final products. Genesis Microchip and Sage have at times experienced delivery delays and long manufacturing lead times. These manufacturers fabricate, test and assemble products for other companies. Genesis Microchip and Sage cannot be sure that manufacturers will devote adequate resources to the production of the combined company's products or deliver sufficient quantities of finished products to the combined company on time or at an acceptable cost. It might take some time to establish a strategic relationship with a new manufacturing company. The combined company might be unable to readily obtain an alternative source of supply for any of its products if this proves necessary. Any occurrence of these manufacturing difficulties could harm the combined company's business.

Genesis Microchip's and Sage's third-party wafer foundries, third-party assembly and test subcontractors and significant customers are located in an area susceptible to earthquakes.

All of Genesis Microchip's and Sage's outside foundries and most third party assembly and test subcontractors are located in Taiwan, which is an area susceptible to earthquakes. In addition, some significant customers are located in Taiwan. Damage caused by earthquakes in Taiwan may result in shortages in water or electricity or transportation which could limit the production capacity of the combined company's outside foundries and the ability of subcontractors to provide assembly and test services. Any reduction in production capacity or the ability to provide assembly and test services could cause delays or shortages in the combined company's product supply, which would harm the combined company's business. Customers located in Taiwan were responsible for 41.8% of Genesis Microchip's product revenue for the three months ended September 30, 2001 and 10.9% of Sage's product revenue for the same period. If the facilities or equipment of the combined company's customers are damaged by future earthquakes, they could reduce their purchases of products, which would harm the combined company's business. In addition, the operations of suppliers to the combined company's outside foundries and the combined company's Taiwanese customers could be disrupted by future earthquakes, which could in turn harm the combined company's business by resulting in shortages in product supply or reduced purchases of products.

Genesis Microchip and Sage do not have long-term commitments from their customers, and the combined company will allocate resources based on estimates of customer demand.

Genesis Microchip and Sage make sales on the basis of purchase orders rather than long-term purchase commitments. The combined company's customers may cancel or defer purchase orders for reasons outside the combined company's control, such as supply constraints for other components incorporated into their products or errors in their forecast of demand for their products. The combined company will manufacture its products according to both the combined company's estimates of customer demand and its customers' forecasts of their demand. This process will require the combined company to make multiple demand forecast assumptions, each of which may introduce error into the combined company's estimates. If the combined company overestimates customer demand or if its customers overestimate the demand for their products, the combined company may allocate resources to manufacturing products which the combined company may not be able to sell. As a result, excess inventory would increase the combined company's losses. Conversely, if the combined company underestimates customer demand or if sufficient manufacturing capacity is unavailable, the combined company would forego revenue opportunities, lose market share and damage customer relationships.

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The combined company's sales cycle may result in uncertainty and delays in generating revenues.

Because Genesis Microchip's and Sage's products are based on new technology and standards, a sales process, typically requiring several months, is often required before potential customers begin the technical evaluation of these products. It can take an additional several months before a customer commences volume shipments of systems that incorporate these products. However, even when a manufacturer decides to design these products into its systems, the manufacturer may never ship systems incorporating these products. Given a lengthy sales cycle, the combined company may experience a delay between the time it increases expenditures for research and development, sales and marketing efforts and inventory and the time it generates revenues, if any, from these expenditures. As a result, the combined company's business could be harmed if a significant customer reduces or delays orders or chooses not to release products incorporating the combined company's products.

The combined company's business will suffer if non-binding relationships with industry leaders do not produce expected results.

Genesis Microchip and Sage work closely with leaders in the industry to design products with improved performance, cost and functionality. Genesis Microchip and Sage typically commit significant research and development resources to such design activities and often divert financial and personnel resources from other development projects to such design activities without entering into agreements obligating

these industry leaders to continue the collaborative design project or to purchase the resulting products. The failure of an industry leader to complete development of a collaborative design project or to purchase the products resulting from such projects would have an immediate and serious impact on the combined company's business, financial condition and results of operations. The combined company's inability to establish such relationships in the future would, similarly, harm its business.

A large percentage of the combined company's revenues will come from sales outside of North America, which creates additional business risks.

A large portion of the combined company's revenues will come from sales to customers outside of North America, particularly to equipment manufacturers located in Japan and other parts of Asia. For the three months ended September 30, 2001 sales to regions outside of North America amounted to 93.4% of Genesis Microchip's revenues and 67.5% of Sage's revenues. Genesis Microchip and Sage engage extensively in the international shipment of products to their customers, who in turn use international shipments to varying degrees to make deliveries to their customers. These sales and shipments are subject to numerous risks, including:

fluctuations in currency exchange rates, tariffs, import restrictions and other trade barriers;

difficulties in maintaining sales representatives outside of the U.S. that are knowledgeable of the display applications industry, the video processing industry and our range of products;

unexpected changes in regulatory requirements;

longer payment periods;

potentially adverse tax consequences;

difficulties related to design piracy of display and video processing technologies that may exist outside the U.S.;

export license requirements;

differing technology standards;

political and economic instability;

delays in deliveries as a result of grounding of flights; and

unexpected changes in diplomatic and trade relationships.

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To date, sales of Genesis Microchip and Sage's products have been denominated exclusively in U.S. dollars. An increase in the value of the U.S. dollar could increase the price of the combined company's products so that they become relatively more expensive to customers in the local currency of a particular country, potentially leading to a reduction in the combined company's revenues and profitability.

Portions of Sage's operations, including research and development efforts and support are performed in India, and risks related to those operations could harm the combined company and negatively impact product sales.

Any risks relating to the political or economic conditions in India and the surrounding region, including risks relating to India's national security situation, labor market conditions or the effects of the current military action in the region, may adversely impact the combined company's ability to take advantage of operations in India. In addition, circumstances beyond the combined company's control at its facilities, related to operating in a developing country, such as unreliable power supplies, may have a material adverse effect on research and development capabilities. Restrictive laws or policies on either the part of India or the United States may constrain the combined company's ability to effectively operate in both countries. If the combined company is required to relocate its Indian facilities, a relocation may disrupt its business. In addition, the management of Genesis Microchip does not have experience managing the operations of a subsidiary in India. Failure to effectively manage and integrate operations in India with those of Genesis Microchip would harm the business of the combined company.

The combined company's business faces risks relating to Sage's acquisition of Faroudja, including intellectual property risks, that could adversely effect the business of the combined company.

Effective June 8, 2000, Faroudja merged with Sage. If the combined company is unable to successfully integrate the business of Faroudja, it may incur unexpected associated costs.

Moreover, a significant portion of the intellectual property acquired with Sage's Faroudja acquisition was licensed to one of Sage's subsidiaries by Yves Faroudja. There are risks associated with this intellectual property because Sage's subsidiary is a licensee and not the owner of such intellectual property rights. Under the terms of the subsidiary's agreement with Mr. Faroudja, Mr. Faroudja retains the non-exclusive right to license his patents and technologies to third parties for use outside Sage's subsidiary's field of use.

The combined company may be unable to adequately protect its intellectual property. Genesis Microchip and Sage rely on a combination of patent, copyright, trademark and trade secret laws, as well as nondisclosure agreements and other methods to protect proprietary technologies.

Collectively, Genesis Microchip and Sage have been issued patents and have a number of pending United States and foreign patent applications. However, Genesis Microchip and Sage cannot assure you that any patent will be issued as a result of any applications or, if issued, that any claims allowed will be sufficiently broad to protect the combined company's technology. In addition, it is possible that existing or future patents may be challenged, invalidated or circumvented. It may be possible for a third party to copy or otherwise obtain and use the combined company's products, or technology without authorization, develop similar technology independently or design around the combined company's patents.

The combined company's competitors may also be able to design around the licensed patents. The laws of certain foreign countries in which the combined company's products are or may be developed, manufactured or sold, including various countries in Asia, may not protect its products or intellectual property rights to the same

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extent as the laws of the United States. There can be no assurance that the steps taken to protect the combined company's intellectual property rights will be adequate to prevent misappropriation of the combined company's technology or that competitors will not independently develop technologies that are substantially equivalent or superior.

Others may bring infringement claims against the combined company which could be time-consuming and expensive to defend.

In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. This litigation is widespread in the high-technology industry and is particularly prevalent in the semiconductor industry, where a number of companies aggressively use their patent portfolios by bringing numerous infringement claims. In addition, in recent years, there has been an increase in the filing of so-called nuisance suits alleging infringement of intellectual property rights, which pressure defendants into entering settlement arrangements to quickly dispose of such suits, regardless of their merits. The combined company may become a party to litigation in the future to protect its intellectual property or as a result of an alleged infringement of others' intellectual property. For example, Genesis Microchip is currently defending claims brought against it by Silicon Image, Inc.

These lawsuits could subject the combined company to significant liability for damages and invalidate its proprietary rights. These lawsuits, regardless of their success, would likely be time-consuming and expensive to resolve and would divert management time and attention. Any potential intellectual property litigation also could force the combined company to do one or more of the following:

stop selling products or using technology that contain the allegedly infringing intellectual property;

attempt to obtain a license to the relevant intellectual property, which license may not be available on reasonable terms or at all; and

attempt to redesign those products that contain the allegedly infringing intellectual property.

If the combined company is forced to take any of these actions, it may be unable to manufacture and sell some of its products, which could harm its business.

The combined company may not be able to retain the key personnel it needs to succeed.

Competition for qualified management, engineering and technical employees is intense, and the turnover rate can be high. As a result, employees could leave with little or no prior notice. The combined company may not be able to retain employees, particularly in India and the San Francisco bay area of California, where demand for personnel with the engineering and technical skills we seek is extremely high and is likely to remain high. In addition, current and prospective employees may experience uncertainty about their future roles with the combined company as a result of the merger. This uncertainty may adversely affect the combined company's ability to retain key management, sales, marketing and technical personnel.

General economic conditions may reduce the combined company's revenues and harm its business.

As the businesses of Genesis Microchip and Sage have grown, the companies have become increasingly subject to the risks arising from adverse changes in domestic and global economic conditions. Because of the recent economic slowdown in the United States and in Europe, many industries are delaying or reducing technology purchases. As a result, if economic conditions in the U.S. and Europe worsen or if a wider or global economic slowdown occurs, reduced orders and shipments may cause the combined company to fall short of its revenue expectations for any given period and may result in the combined company carrying increased inventory. These conditions would negatively affect its business and results of operations. If the combined company's inventory builds up as a result of order postponement, it would carry excess inventory that is either unusable or that must be sold at clearance prices which will harm its revenues. In addition, weakness in the technology market could negatively affect the cash flow of customers who could, in turn, delay paying their obligations to

the combined company. This would increase the combined company's credit risk exposure which could harm its financial condition.

In addition, political conditions, terrorist acts or acts of war (wherever located around the world) may cause damage or disruption to the combined company's business, employees, supplies, distributors and resellers, and customers which could have a material adverse effect on its operations and financial results.

The combined company may make acquisitions, which involve numerous risks.

The combined company's growth is dependent upon industry growth and its ability to enhance existing products and introduce new products on a timely basis. One of the ways the combined company may address this need to develop new products is through acquisitions of other companies.

Acquisitions of high-technology companies are inherently risky, and no assurance can be given that future acquisitions, if any, will be successful and will not adversely affect the combined company's business, operating results or financial condition. We must also maintain our ability to manage any such growth effectively. Failure to manage growth effectively and successfully integrate acquisitions made by us could materially harm the combined company's business and operating results.

The market price and trading volume of Genesis Microchip's and Sage's stock has fluctuated substantially and Genesis Microchip Delaware's may continue to do so.

The stock market has experienced large price and volume fluctuations that have affected the market price of many technology companies and have often been unrelated to the operating performance of these companies. These factors, as well as general economic and political conditions, may materially adversely affect the market price and trading volume of the Genesis Microchip Delaware's common stock in the future. The market price and trading volume of Genesis Microchip Delaware's common stock may fluctuate significantly in response to a number of factors, including:

- actual or anticipated fluctuations in the combined company's operating results;
- changes in expectations as to the combined company's future financial performance;
- changes in financial estimates of securities analysts;
- changes in market valuations of other technology companies;
- announcements by the combined company or its competitors of significant technical innovations, design wins, contracts, standards or acquisitions;
- the operating and stock price performance of other comparable companies; and
- the number of shares of the combined company that are available for trading by the public and the trading volume of its shares.

Due to these factors, the price of the combined company's stock may decline and the value of your investment would be reduced. In addition, the stock market experiences volatility often unrelated to the performance of particular companies. These market fluctuations may cause the combined company's stock price to decline regardless of its performance.

The following risk factors relate to the failure to complete the reorganization of Genesis Microchip, a Nova Scotia company, to Genesis Microchip Delaware, a Delaware corporation, and to tax risks related to the reorganization.

Failure to complete the reorganization could limit Genesis Microchip's use of its common shares to acquire other companies, which would limit Genesis Microchip's ability to expand its business through acquisitions.

The principal reason for the reorganization is to facilitate future acquisitions of other companies. Genesis Microchip is currently limited in the use of its common shares to acquire U.S. corporations in a manner that would qualify as a tax-free reorganization under U.S. tax laws. If the reorganization is not completed and Genesis Microchip is not able to provide a tax-free acquisition structure to U.S. corporations or their stockholders, Genesis Microchip's ability to expand its business by acquiring U.S. corporations would be limited, which could harm the business of Genesis Microchip and cause the price of its common shares to decline. In addition, certain costs related to the reorganization, such as legal, accounting and financial printing fees, must be paid even if the reorganization is not completed.

If Genesis Microchip is unable to obtain the required court approval for completing the reorganization or if such approval is delayed, the reorganization will not be effected or will be delayed and the merger with Sage will not be completed or will be delayed.

The proposed reorganization requires approval, in the form of a final order, by the Supreme Court of Nova Scotia, and the proposed merger requires consummation of the reorganization. Failure to receive this approval in a timely manner or at all would delay or prevent the completion of the reorganization of Genesis Microchip to Genesis Microchip Delaware and, similarly, would delay or prevent the merger between Genesis Microchip Delaware and Sage. Prior to the mailing of this joint proxy statement/prospectus, Genesis Microchip will obtain an interim order providing for the calling and holding of the Genesis Microchip special general meeting and other procedural matters. Subject to the approval of the reorganization at the Genesis Microchip special general meeting, the hearing to obtain a final order of the Supreme Court of Nova Scotia is expected to take place on or about _____, 2002 at _____ time, at the Law Courts, 1815 Upper Water St., Halifax, Nova Scotia. After the final order of the Supreme Court of Nova Scotia is obtained, the final order including the plan of arrangement will be filed with the Registrar of Joint Stock Companies of Nova Scotia at which time the reorganization will take effect. It is anticipated that the merger will be consummated within approximately two business days following receipt of a copy of the final order, certified as to filing with the Registrar, which is expected to take approximately three business days following the filing with the Registrar. There are no assurances, however, that the certified copy will be received in such a time period. Any delay in obtaining the final order from the Supreme Court of Nova Scotia or the certified copy of the Registrar will result in a delay of consummation of the merger which cannot occur until the reorganization is completed. Genesis Microchip expects to effect the reorganization as soon as possible after the final order is obtained and to complete the merger with Sage as soon as possible thereafter.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act, and are subject to the safe harbor provisions created by those statutes. Forward-looking statements relate to expectations concerning matters that are not historical facts. Words such as projects, believes, anticipates, plans, expects, intends, and similar words and expressions are intended to identify forward-looking statements. Genesis Microchip believes that the expectations reflected in the forward-looking statements are reasonable but Genesis Microchip cannot assure you those expectations will prove to be correct. You should not place undue reliance upon the forward-looking statements contained in this joint proxy statement/prospectus. Important factors that could cause the combined company's actual results to differ materially from those expectations are disclosed in this joint proxy statement/prospectus, including, without limitation, those provided in the Risk Factors section beginning on page 20 of this joint proxy statement/prospectus, and reports filed by Genesis Microchip and Sage with the Securities and Exchange Commission, specifically forms 20-F, 6-K, 8-K, 10-K, 10-Q, S-1, S-4, and S-8. If any of these risks or uncertainties materialize or any of these assumptions prove incorrect, the results of Genesis Microchip, Sage, and the combined company could differ materially from the expectations expressed or implied in these documents. These forward-looking statements speak only as of the date upon which the statements were made, and are expressly qualified in their entirety by these factors and all related cautionary statements. None of Genesis Microchip, Sage, or Genesis Microchip Delaware is under any obligation (and each expressly disclaims any such obligation) to update or alter these forward looking statements, whether as a result of new information, future events, or otherwise.

THE SPECIAL GENERAL MEETING OF GENESIS MICROCHIP SHAREHOLDERS

General

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Genesis Microchip is furnishing this joint proxy statement/prospectus to its shareholders in connection with the solicitation of proxies by the management of Genesis Microchip for use at the Genesis Microchip special general meeting of shareholders in connection with the proposed reorganization and merger.

This joint proxy statement/prospectus is first being furnished to Genesis Microchip shareholders on or about _____, 2002.

Date, Time and Place

The special general meeting of shareholders of Genesis Microchip will be held on _____, 2002 at 8:00 a.m., local time at Stewart McKelvey Stirling Scales at Suite 900, Purdy's Wharf Tower One, 1959 Upper Water Street, P.O. Box 997, Halifax, NS, Canada, B3J 2X2.

Purpose of the Special General Meeting

At the Genesis Microchip special general meeting, Genesis Microchip shareholders will be asked:

1. to consider, pursuant to an interim order of the Supreme Court of Nova Scotia dated _____, 2002, and to vote upon a proposed resolution to approve an arrangement under Section 130 of the *Companies Act* (Nova Scotia) that will reorganize Genesis Microchip from a Nova Scotia company to a newly formed Delaware corporation. In this reorganization, Genesis Microchip will become a wholly owned subsidiary of Genesis Microchip Delaware, and shareholders of Genesis Microchip will become stockholders of Genesis Microchip Delaware;
- 2.