

## Chairman's Words

Since founded in 1996, DAVICOM Semiconductor Inc. (hereinafter referred to as Davicom) has stuck to the goals of customer satisfaction and reasonable return and maintained the operational vision of "Connectivity Beyond Limits". In the era of information, Davicom focuses on niche markets, with products and technologies being in wide application including PCs, smartphones, TVs and automobiles.

In order to realize the goal of "Customer satisfaction and reasonable return", we have always insisted on the core value of "people-oriented, sincere and steady operation" to carry on comprehensive innovation on technology, service and management. Davicom's corporate development and business operation are grounded on a value concept based on the company's six cultural characteristics, with the concept being the DNA accounting for our long-term operation and continued development.

Davicom has spared no efforts to provide clients with products and services of the best quality, with customer satisfaction as the core goal of our operation. In order to attain the core goal, we continue innovation and keep improving products and services to make them surely meet clients' demand. Besides, we lay emphasis on communications with clients to know clients' ideas and feedback and actively solve their problems. All of what we have done is intended to have clients more satisfied at our products and services.

Davicom has performed well in corporate governance. Based on the concept of integrity management, we have formulated various behavioral regulations supported by strict internal control to ensure investors' and employees' interests. We made significant achievement in corporate governance evaluation in the past few years. Particularly for corporate governance evaluation, we were ranked among the top 5% of listed companies under evaluation. Even in the negative impact of COVID-19 pandemic, we have successfully maintained stable profitability and revenue growth to bring stable compensation for investors and employees due to our capability of flexibly coping with the negative impact and our steady corporate culture. In the post-pandemic era, the semiconductor industry has faced inventory destocking pressures. Although Davicom's performance in 2023 was slightly impacted, our long-standing corporate culture of "Diligence, Agility, Value, Integrity, Cooperation, Opportunity, Modesty" has guided us to maintain profitable operations every quarter (achieving 72 consecutive quarters of profitability). Dr. Ting Hao was also honored with the 2023 Asia Pacific Enterprise Award of Master Entrepreneur Category.

Over the past 50 years, the greenhouse effect resulting from high levels of industrialization and the consequent ecological damage have led to devastating downpours and droughts, posing significant challenges for humanity. Addressing climate change has become the most pressing issue of this century. In response, Davicom has fully leveraged internal resources and core technologies, while also integrating external resources for technological innovation. In 2022, we launched low-power products that save 38.5% energy and continue to monitor societal dynamics and industry trends.

In 2023, we set "Diversity, Equity, Inclusion" as the cornerstone of our corporate governance, aiming to foster a sense of belonging and pride among employees to enhance innovation and problem-solving capabilities. We persist in developing environmentally friendly products and collaborate with clients to build a low-carbon supply chain, creating value towards achieving net-zero emissions. We are also committed to creating a fair and diverse workplace environment for our employees and establishing a stable, reliable investment target for the investing public. Additionally, we leverage our strengths as a technology company to participate in the long-term sustainable development of education and cultural arts, embodying contemporary values that balance technology and humanity.