CHAPTER 2

About DAVICOM Semiconductor

2. About DAVICOM Semiconductor
2.1 Company Profile

DAVICOM Semiconductor Inc. was founded in 1996 by a networking/communication team under United Microelectronics (UMC) and US-based networking/communication experts.

Since being founded in 1996, with the foundation of Ethernet along with the industry trend, we developed Ethernet controller ICs firstly and then, in line with industrial development trends, has developed and produced networking ICs used in embedded systems and engaged in innovation and R&D of software technology, with products widely used in broadcasting equipment for Internet connection and telecom set-top boxes. We began R&D of ICs used in smart medical care in 2013, development of EPD (E-Paper Display) driver ICs for innovative application to electronic shelf labels in 2014. Furthermore, we have focused on integration of AI with our Ethernet technology and development of innovative products since 2018. In 2020, we stepped into UHF RFID and then began to provide most competitive ICs and chip solutions to help clients keep abreast of the latest trend of AIoT development and thereby shorten time to market.
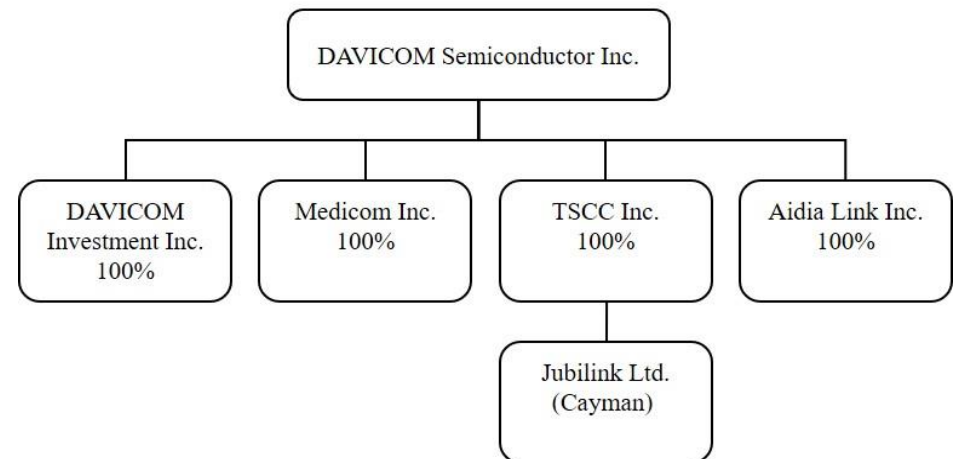
"Connectivity Beyond Limits" is our sustainability-related vision, "development and promotion of environmentally friendly technologies" is our mission, "forward looking, steadiness" is our gene, and "customer satisfaction and reasonable return" is our insistence.

Based on the belief of "walk steadily for long-distance destinations", we are moving toward corporate sustainability goals. With spiritual cohesion of all employees, we keep creating sustainability value that is balanced among social harmony, economic sustainability and environmental sustainability.

■ **Organizational profile**

| Full corporate name	DAVICOM Semiconductor, Inc.
Capital amount	NT$831 million
Total number of employees	75 (100 globally)
Date of establishment	August 16, 1996
Stock listed	Our stock shares were initially listed on the Taiwan Stock Exchange on August 6, 2007 (stock code: 3094)
Chairman	Ting Hao
President	Nien-tai Chen
Operational headquarter	No. 6, Li-Hsin VI Road, Hsinchu Science Park, Hsinchu City 30078, Taiwan,
Location of operation	Taiwan, China, Europe, and the U.S.

Organizational chart of affiliates

DAVICOM Semiconductor Inc.
- DAVICOM Investment Inc. 100%
- Medicom Inc. 100%
- TSCC Inc. 100%
  - Jubilink Ltd. (Cayman)
- Aidia Link Inc. 100%

■ **Basic information on affiliates**

Name of enterprise	Time of being established/invested	Address	Paid-in capital	Main items of business operation
DAVICOM Investment Inc.	April 2006	2nd Floor, No. 1, Lane 53, Xinzhuang Street, Hsinchu City	NT$212 million	General investment business
Medicom Corp.	July 2010	2nd Floor, No. 1, Lane 53, Xinzhuang Street, Hsinchu City	NT$50.0 million	IC design and manufacturing industry
Aidia Link Inc.	October 2016	Unit 3, 15th Floor, No. 60-3, Chien-Hsin Road, Hsinchu City	NT$80.0 million	Manufacturing of mechanical equipment used in wireless communication
TSCC Inc.	January 2002	TrustNet Chambers, Lotemau P.O. Box 1225, Apia, Samoa.	US$4.4 million	General investment business
Jubilink Ltd.	January 2002	P.O. Box 219, Grand Cayman	US$2.5 million	General investment business

Sales agents around the world (for information on sales agents, please refer to Contact Us at our website)
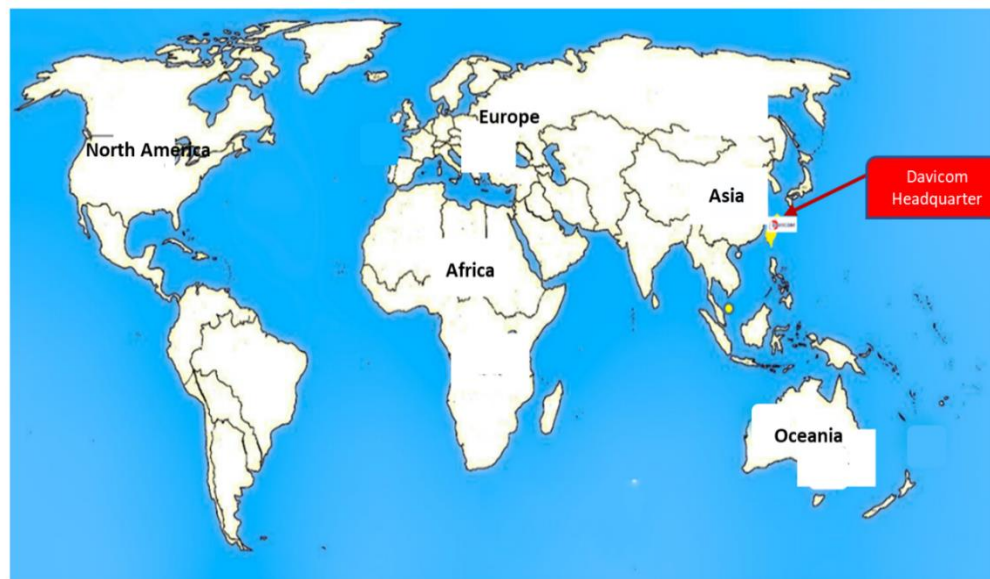
Europe

France

The Netherlands/Belgium/Italy/Spain

Israel/Russia/Ukraine

Germany/Switzerland/Austria

Norway/Finland/Poland/Denmark/Sweden

UK/Ireland/Turkey

Africa

South Africa

Asia

Japan

South Korea

India

Southeast Asia

China

Oceania

New Zealand

Australia

2.2 Material Information and Product Development

Year	Material Information and Product Development
1996	Founded in Hsinchu Science Park with NT$130,000,000 capital.
1997	1. Additional Cash Capital NT$60,000,000, Paid-up Capital increased to NT$190,000,000. 2. Launched 2 in 1 Internet Chip (DM9101F), 10/100M Base-TX PHY+MLT3 single chip Transceiver. 3. Additional Cash Capital NT$50,000,000, Paid-up Capital increased to NT$240,000,000. 4. Davicom was authorized by ISO 9001. (Issued by Lloyd's Register Inspection Limited Taiwan Branch for and on behalf of Lloyd's Quality Assurance Limited)
1998	Launched 3 in 1 Internet Chip (DM9102F), Bus MAC Controller and PHY/Transceiver.
1999	1. Additional Cash Capital NT$160,000,000, Paid-up Capital increased to NT$400,000,000. 2. Launched 56K Modem Chip (DM560P). 3. Launched DM9801, 0.35μm 1 Mbps Home Networking PHY/Transceiver. 4. Securities and Futures Institute authorized public offering.
2000	1. Replenished earnings and employee bonuses NT$109,500,000 into Capital, Paid-up Capital increased to NT$509,500,000. 2. Launched DM9102A, Bus MAC Controller and PHY/Transceiver.
2001	1. Replenished earnings and employee bonuses NT$21,880,000 into Capital, Paid-up Capital increased to NT$531,380,000. 2. Launched DM9000, NON-PCI Bus MAC Controller and PHY/Transceiver.
2002	1. Launched DM9331A, Fiber Ethernet media converter chip. 2. Fulfilled the requirements of Emerging listing.

Year	Material Information and Product Development
2003	1. Launched the world's smallest IrDA MODEM Module. 2. Developed 802.11b WLAN MAC Control Chip. 3. Developed 10/100M 0.25μm PHY Chip. 4. DM9700, 1.8/3.3V 0.18μm 10/100/1000M Base-TX Single chip Gigabit MAC and PHY transceiver. 5. DM9102C, 2.5/3.3V 0.25μm 10/100M Base-TX Integrated PCI, Single chip Bus Embedded System. 6. Davicom was authorized by ISO 9001: version 2000. (Issued by Lloyd's Register Inspection Limited Taiwan Branch for and on behalf of Lloyd's Quality Assurance Limited) 7. Launched DM562AP, Support MFP G3 33.6K color fax with T.31 command.
2004	1. Davicom moved to the new building. 2. Additional Cash Capital NT$108,620,000, Paid-up Capital increased to NT$640,000,000. 3. Obtained Technology Company Listed Recommendation from Industrial Development Bureau of Economic Affairs. 4. Launched DM3003, USB 2.0 Card Reader Controller 5. Developed DM8603, Gigabit Switch.
2005	1. Provided environmentally friendly products: RoHS. 2. Launched DM6588A-E5 2.5/3.3V 0.25μm. 3. Launched DM9000A-E7.
2006	1. Launched an integrated program of DM9218 and IP-CAM 2. Products obtained the certification of SONY SS-00259. 3. Launched DM9013. 4. Provided industry-standard products. 5. Launched DM6588A-E6 2.5/3.3V 0.25μm and multi-function fax modem chip.

| Year	Material Information and Product Development
2007	1. Launched DM9000B 0.18 μm. 2. Launched DM9161B 0.18 μm. 3. Obtained Technology Company Listed Recommendation from Industrial Development Bureau of Economic Affairs. 4. Distributed stock dividends from retained earnings and employee bonus NT$10,542,000 transferred into Capital, Paid-up Capital increased to NT$700,700,000. 5. Mass production of DM9003/ DM9103 and hit the market. 6. Additional Cash Capital NT$93,430,000, Paid-up Capital increased to NT$794,131,000. 7. Listed on Taiwan Stock Exchange (Code-3094) on August 6th.
2008	1. Launched the solution of IP2001 MPEG4 IP Camera. 2. Launched DM9016, Embedded Ethernet Switch Controller.
2009	1. Launched DM9620, USB2.0 to Ethernet MAC Controller. 2. Launched DM9302 3. Davicom was authorized by ISO 9001: version 2008. (Issued by Lloyd's Register Inspection Limited Taiwan Branch for and on behalf of Lloyd's Quality Assurance Limited) 4. Launched DM9621, Ethernet MAC Controller for USB Dongle.
2010	1. Developed 802.3az Energy-saving technology. 2. Launched DM9161C 3. DM9620 & DM9621 certified by USB IF (ITD40001021). 4. Launched DM8606C. 5. Launched DM8603/DM8203. 6. Davicom won Gold Medal of 2010 Standard Chartered SMEs. 7. DM9620 & DM9621 certified by Microsoft drivers. 8. Developed IEEE1588 Precise time synchronization technology.

Year	Material Information and Product Development
2011	1. Developed DM8806. 2. Developed DM8603A. 3. Developed DM9633 USB3.0, to Ethernet MAC Controller. 4. Launched DM9162 (162um).
2012	1. Launched DM9620A/ DM9621A, USB to Ethernet MAC Controller. 2. Launched DM8806/ DM8806I. 3. Launched hearing aid software "HearingAmp" and was available on iTunes. 4. Launched Medical Care return pass system hardware, firmware and server platform.
2013	1. Launched new IC product line: Video Decoder 1-Channel: DM5900/ DM5960/ DM5150/DM5160. 2. Launched hearing aid software "HearingAmp V1.2" and was available on iTunes. 3. Launched new IC product line: Video Decoder 4-Channel: DM5865/ DM5866/DM5885/DM5886. 4. Launched hearing aid software "HearingAmp V1.3" and was available on iTunes. 5. Launched Medical Care return pass system Apps.
2014	1. Launched the DM9163 physical layer industrial-grade chip. 2. Purchased Teamtech Technology Corp EPD Driver and SoC IC product line 3. Launched DM9051. 4. Launched hearing aid software "HearingAmp V1.4" and was available on iTunes. 5. Launched hearing aid software "HearingAmp V1.5" and was available on iTunes.
2015	1. Developed capacitive voltage type three color E-paper driver IC with wireless energy harvesting embedded 2. Developed embedded portable hearing aid software "HearingPod V1.0" 3. Developed voltage mode low-power high speed Ethernet transceiver chipsets.

Year	Material Information and Product Development
2016	1. Launched hearing aid software "HearingAmp V1.6" and was available on iTunes. 2. Developed a digital circuit with flexible operation capability to precisely control an analog circuit and can be applied to medical products. 3. Developed a 0.11μm process Ethernet IC, 4. Completed the foresighted hearing aid platform of HearingPod V1.1 smart device. 5. Launched hearing aid software "HearingAmp V1.7" and is available on iTunes.
2017	1. Completion of smart hearing aid device, HearingPod V1.3, with advanced internet-driven application platform. 2. Development of massive node topology of Electronic Shelf Label (ESL) with internet-capable system for smart retail applications. 3. Completion of in-audio IoT hearing aid platform, HearingPod V1.3, to support a Cloud-based smart hearing aid system. 4. Development of EPD IC with temperature-adaptive waveform generation and RF energy harvesting.
2018	1. Launched DM9111A 2. Launched high-speed, low-power massive nodes communication E-paper system 3. Developed the E-paper driver IC with image decompression algorithm function dot matrix
2019	1. Launched temperature sensor embedded three color E-paper driver IC 2. Launched industrial-grade embedded 10/100/1000M Ethernet physical layer transceiver IC 3. Released an AI-based image sensing and recognition chip. 4. Released transcutaneous Electrical Nerve Stimulation (TENS) application IC
2020	1. Development of Trajectory Algorithm by RFID Data. 2. Development of USB to UART converter controller IC 3. Development of Heterogeneous Data Fusion by AI-Based CMOS Sensor and RFID.

Year	Material Information and Product Development
2021	1. Developed the algorithm and weighting model system application of Edge AI chip. 2. Developed the human and objects precision locating system with RFID and AI operation. 3. Developed the real-time Ethernet network application protocol and algorithm.
2022	1. Launched AI Image recognition integrated RFID logistics management. 2. Developed the new process design network chip,
2023	1. Developed the One Pair Ethernet Network (OPEN) compliance SPI interface Ethernet controller IC 2. Developed the RFID system with edge AI smart factory production traceability.

Note: The financial information of Davicom is publicly available on the company's website. Please refer to the Investor Relations - Financial Information & Annual Reports section of Davicom's official website.

Website: https://www.davicom.com.tw/investor-annualreport.php?lang_id=tw
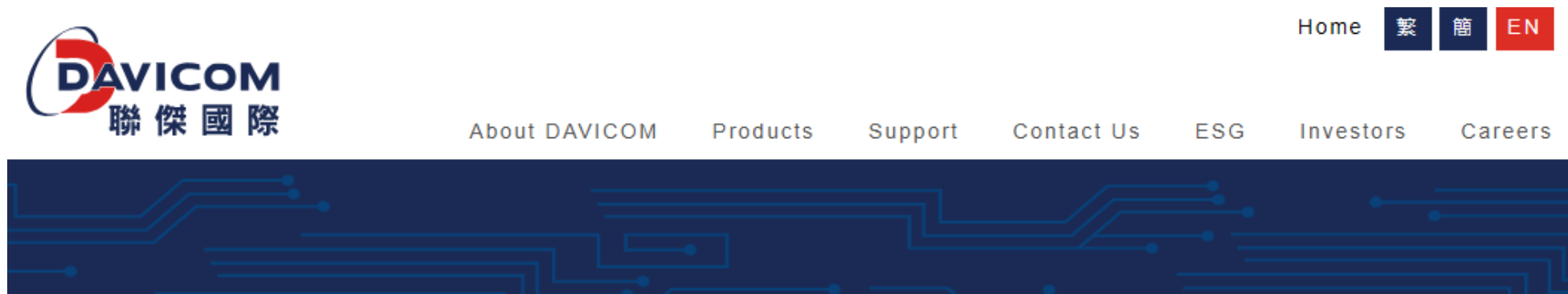
2.3 Core value and Operational strategies

Since our foundation, we have stuck to the core value of "people-oriented, insistence on integrity, steady operation". Based on the core value, we have developed the corporate culture of "diligence, agility, value, integrity, cooperation, opportunity, and modesty". We have always been committed to IC design to keep creating values in terms of global green supply chain. We have also been in good interactions with employees, shareholders, clients, suppliers as well as other stakeholders such as educational and research organizations to fulfill our corporate citizenship responsibilities.

Important core technologies

Ethernet MAC & PHY	Mixed Signal	RFID Omni-Solution
Networking Protocol Stacks	AIoT & Algorithms	Video Decoder
USB and Interfaces	Audio Signal Processing	DSP & Algorithms

Core Value

- Diligence
- Agility
- Value
- Integrity
- Cooperation
- Opporation
- Modesty

People-oriented
Insistence on integrity
Steady operation

Upstream IC design

Midstream IC manufacturing

Downstream IC packaging and testing

▲The semiconductor industry ecosystem

As an IC design house, we design circuit layouts for various chip functions based on market trends and demand, outsource wafer foundry, IC packaging and testing and then, our production unit undertakes rigid final testing to enable clients to add value via innovation. Our networking/communication IC products are important components used in networking infrastructure worldwide.

We cooperate with suppliers and clients to jointly create sustainable values for IoT, Industry 4.0, smart city solutions and end-customers' smart lives.
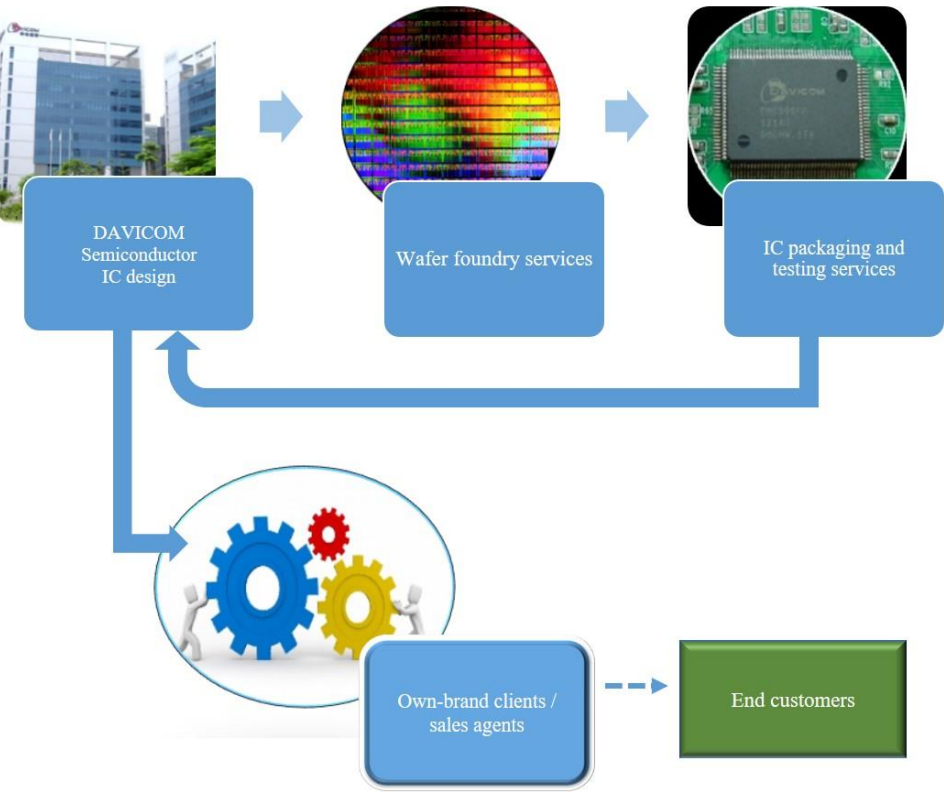
2.4 Awards, Recognitions, and Ratings

■ **Highlights**

2017		2017 Fourth Corporate Governance Evaluation: Ranked in the top 5% of listed companies.
2023		New product energy savings of 38.5% New product, DM91XX series, features reduction in dimension by 35.5% and power consumption by 38.5% (uses technology of converting current into voltage)

■ Awards

Year	Award	Achievements
2015	**Honored with the First Asia Pacific Enterprise Awards for Best Advancement**	Davicom has achieved 40 consecutive quarters of profitability. Our Chairman, Dr. Ting Hao, receiving the Asia Pacific Enterprise Awards for Best Advancement

In 2023, the Chairman received the
2023 Asia Pacific Enterprise Awards of Master Entrepreneur Category

▲Davicom has achieved 72 consecutive quarters of profitability, with the Chairman receiving the 2023 Asia-Pacific Enterprise Awards of Master Entrepreneur Category.