

[IR/JAMES CHEN]: Good afternoon, everyone in the investment and media industry. I'm James chen from fitipower

Thank you for joining us today for the fourth quarter 2023 investor conference call.

I'm chairing today's meeting.

The management team attending the meeting today includes Mr. Young Lin, Chairman of the Board of Directors.

and Mr. PC Chen, CFO

Let's start today's meeting.

This slide is an safe harbor notice for your reference.

Today's agenda is as follows

I'll start by reporting on the operating results for the fourth quarter 2023, which are unaudited one.

The next report will be for the full year 2023

Financial and operational results, which are also unaudited.

Third, we will have an overview of Fitipower current situation.

The fourth item is that the Chairman will share with you some key messages.

The final stage is today's Q&A, the Q&A stage

I'll let everyone use the webex to raise your hands.

I'll send a request to unblock your voice.

You will be able to speak after pressing "Accept".

First of all, I would like to report to you the financial figures for 2023.

Our revenue in the fourth quarter was NT\$3767 million, a decrease of 11.18% from the third quarter

Compared with the same period last year, NT\$4.129 billion, is a decrease of 8.78%.

Gross margins increased slightly by 0.31% to 33.78% in the fourth quarter.

26.79% for the same period last year

YOY is an increase of 6.99%

Our expenses in the fourth quarter were lower in both marketing management and research and development.

Total costs decreased by 10.13% in the fourth quarter.

Operating income was NT\$581 million in the fourth quarter.

The operating margin was 15.43% in the fourth quarter

Compared with the third quarter, it increased by 0.1%.

This is an increase of 7.43% from 8.01% in the same period last year.

Our net income for the fourth quarter was NT\$612 million.

Net profit for the period attributable to owners of the parent company was NT\$536 million.

Net income margin was 16.25% compared to 15.57% in the third quarter, an increase of 0.68%.

This represents an increase of 9.02% compared to 7.23% in the same period of the previous year.

Earnings per share in the fourth quarter 2023 were

4.43 per share

This is an increase from NT\$3.98 in the third quarter and from NT\$1.87 a year ago.

Also increased

ROE attributable to parent company was 3.14% in the fourth quarter

In the third quarter, the figure was 3.64%.

This is the same as

i reported in the last slide , it would be clearer if it was shown in a chart.

As you can see, gross margin, operating margin and net income margin are all on an upward trend, while ROE declined slightly in the fourth quarter.

Our balance sheet for the fourth quarter

The cash is NT\$1933 million.

That second line is the financial assets at fair value through profit or loss, this part is mostly invested in the

Money market Funds in Taiwan

That's NT\$10583 million.

In item six

The non-current portion of financial assets measured at amortized cost is NT\$5668 million.

This part is also invested in some deposit or money market funds, so the total amount is nearly NT\$18.2 billion.

As you can see, our inventory was NT\$1945 million in the fourth quarter.

Debt ratio of 14.8%, declined again

Total shareholders'equity of the parent company was NT\$17.319 billion, and the A/R turnover days rose slightly to 68.5 days in the fourth quarter.

the DOI number is up to 69.3 days.

Cash flow from operating was a net inflow of NT\$901 million.

Free cash flow was a net inflow of NT\$829 million.

Here are the figures just mentioned, top left is the cash inflow trend, below that is the A/R turnover days, and on the other side is the DOI

The upper right corner shows all inventories as a percentage of total assets, which remains very low at 7.8%.

This slide is for the last eight quarters of revenue.

Inventory amount and DOI of a comparison chart, we first look at the left side of this chart, light blue bar is revenue
A bar chart in pink is the amount of inventory.

The green line is the percentage increase/decrease of the inventory amount.

We can see that the percentage increase/decrease of the whole inventory in the fourth quarter was up by 2.53%.

In the chart on the right, the blue line is the same as the revenue.

The red line is the DOI, the green bar is an increase/decrease in DOI.

Our DOI has declined a lot in the previous quarters, and in the latest quarter, the fourth quarter, it was maintained at 69.3 days with a slight increase of 3.5 days.

It's still at a very low level.

It's mentioned at the bottom

Our DOI is still below the average of the last five years.

This slide shows the distribution of our revenue in the fourth quarter.

In the fourth quarter, we can see a revenue split across medium and large sizes, and we're in the

Revenue share in the fourth quarter was 38.7% compared to the third quarter, a decline of 7.6%.

In Power IC, it was 13.74%, a decline of 1.05% compared to the third quarter.

In Mobile IC, 35.1% in the fourth quarter, an increase of 8.88% compared to the third quarter

In the fourth quarter, other related semiconductors were 11.63%, nearly unchanged from the third quarter, with a slight decline of 0.87%.

This is our revenue trend for the past five quarters.

The picture on the left

The red line is our gross margin.

We just reported fourth-quarter revenue.

QOQ is down 11.18%, in YOY is down 8.78%

Revenue is at a five-quarter low.

The fourth quarter was mainly impacted by capacity adjustments of large-size customers across the board.

The decline in shipments resulted in slightly weaker-than-expected revenues.

One of the main drivers of quarter-over-quarter revenue growth was Mobile IC.

Among the revenue year over year, the main growth drivers, if you sort them out

Mobile IC is the strongest, the second is other related semiconductor ICs

Gross Margin We continue to look for an optimal balance between all the factors at the customer end, manufacturing suppliers and inventory.

In terms of gross margin, the increase in the fourth quarter was mainly attributable to product mix.

We also have new products in mass production every quarter, which leads to the optimization of the entire product portfolio.

That were major factors in the fourth quarter's gross margin improvement.

In the display driver IC Segment.

Revenue of NT\$1454 million in the fourth quarter

QOQ is down 25.9% and YOY is down 33.69%

In QOQ, due to the reduction of production by the customer

We've seen more decline in TV and Monitor.

In YOY

If you compare, Notebooks are still growing, and it is the main growth driver.

The overall large-size market, due to customer factors and the production reduction there were two quarters of decline.

In the last paragraph, it is mentioned that TV has rush orders in the first quarter of 2024.

Monitor and Notebook still need to wait for the global economy to recover.

In the power management IC this Segment

Revenue in the fourth quarter was NT\$516 million, down 17.66% QOQ and 22.1% YOY.

In terms of the main growth drivers of consolidated revenue QOQ, the strongest is VCM, if you sort it out.

The second one is PMIC for e-books

In YOY, the main source of growth momentum is in order of others, others below we have written here include the LED, Switch, Moto and DDR5

In YOY, the top performer is others, the second is VCM, and the third is eBook's PMIC.

Our existing products continue to expand our customer base and market share.

DDR5 was already in mass production in the fourth quarter of last year, and is now starting to gradually increase its shipment.

others like automotive Infotainment HVBUCK,

and the new generation of multi-protocol control ICs, I think the rest of the year will also contribute to the revenue from many new products .

in the Mobile IC Segment

revenue was NT\$1318 million.

QOQ increased by 18.57% and YOY increased by 48.76%.

The growth drivers in QoQ are, the first, TFT wearables.

The second is TDDI for Mobile,

In the YOY comparison, we can see that the main growth drivers are

TDDI Mobile

AMOLED DDI

We're still on track to start contributing revenue in the second quarter of this year.

In other related semiconductor ICs this Segment was NT\$437 million in the fourth quarter.

YOY is up 15.91%.

QoQ

Down 17.54%

In QoQ, the main growth driver and contributor is ESL.

In consolidated revenue YOY, the main growth driver was EPD, followed by ESL, both of which contributed to YOY growth.

In the first quarter of this year, we have started mass production of T-Con Notebook products.

One of the products related to Sensor was mass-produced in the first quarter.

In the coming quarters, if there is a new product line, we will also add this other related semiconductor segment.

Our financial figures for the last five quarters have just been described in general terms

We can see here that although R&D expenses have dropped slightly to NT\$528 million, the overall Ratio has risen to 14.03%.

Our share capital is now NT\$1212 million, and our book value per share is NT\$142.83, up again from NT\$138.85 in the third quarter.

Our debt ratio slipped from 15.73% in the previous quarter to 14.78% in the fourth quarter.

These are the figures mentioned just now, please refer to them

Our full year figure for 2023 is NT\$16286 million in revenue.

This represents a 17.25% decline from the 2022 figure of \$19.68 billion.

Gross margin is 32.43%, and 36.31% in 2022, a decline of 3.8%

In terms of operating margin, it is 14.4% compared to 19.6% in 2022.

At Net Income Margin is 14.53% compared to 16.6% in 2022.

EPS for the full year 2023 is NT\$13.29, compared to NT\$16.49 in 2022

ROE is 12.39% in 2023 vs. 18.47% in 2022.

Our headquarter is still in Hsinchu Science Park, with 900 employees, and our Core-Business is still in DisplayIC, PMIC and other related semiconductor ICs.

These two charts on the left, the top one is 2023

Our Driver ICs for small, medium and large sizes currently account for 73% of our total revenue.

This is down nearly 8% from the 81% we listed in 2018

The bar chart we have on the right is our four business segments.

for your reference

Our Payout Ratio has remained above 50% for the past five years.

Our efforts at ESG, in 2023

In addition to continuing to improve our corporate governance, we have also made significant progress in our environmental, safety and health, and information security management systems, including obtaining certifications.

ISO 14001, ISO 45001 and ISO 27001.

In addition, we have made great progress on a sustainable assessment of our suppliers.

We have revised one of the relevant management procedures and developed the following

A Code of Conduct for Company Suppliers

Require the relevant supplier to comply with, and regularly conduct an assessment of, the relevant continuity

As a consideration for future cooperation

In the future, we will further enhance the management of carbon rights.

In 2024 we will start to introduce a climate risk finance exposure, which is TCFD.

and greenhouse gas inventory system

That's ISO 14064.

expect to complete the data validation in the first quarter of 2025.

We will also conduct a carbon emission assessment for our major products, namely ISO 14067.

Through a complete inventory of carbon emissions data and risk management responses.

he aim is to achieve a net zero carbon emission by 2050.

These are some of our past honors, and we received the two thousand and twenty-four

One of the honors of the seventh TAIWAN Mittelstand Award by the Ministry of Economic Affairs of Taiwan.

For the next part of the agenda, I would like to turn it over to our chairman, Mr. Young Lin, thank you.

[CHAIRMAN/YOUNG LIN]: Hello, i am Young Lin, let me explain to you about fitipower

Key growth drivers in the short and long term

I'd also like to share with you the recent market demand and inventory situation.

We still have four product lines to explain to you, the first is the medium and large size driver IC product line.

The first season of 2024, we continue to develop the previously developed TV P2P

Lower-cost drivers are now in mass production.

Then there are some new customers, new interface samples are being rolled out and validated, such as the CHPI

And in the Notebook

Full HD has a new Driver, and the included Level Shifter is also starting to release!

upcoming season

As TV moves up to higher frequencies, it will be 120 HZ.

In order to meet the demand of the Olympic Games and these sporting events, the next season will see the introduction of 140Hz and 144Hz.

The high-frequency version of Driver for P2P will also start to release.

This includes, for example, 3.5G and even 4.5G samples.

The Notebook side compares the high quality LTPS Base to these Notebook PMICs.

Level Shifter will also start to release.

Second product line, power management ICs

We'll have an Automotive in the first quarter of 2024.

HV Buck Converter MP

In terms of VCM, as some of the low to mid-range cell phone markets are starting to use Close Loop OIS, we have started to ship a large number of VCM drivers for Close Loop OIS.

And we're going to mass produce the protocol ICs this quarter.

Integration of charging protocol IC and HVBUCK in the same IC.

This integrated IC will be launched in the market

And then, of course, our

DDR5 PMIC shipments are also expanding.

In the next quarter, the new generation of EPD PMICs and LED Driver ICs for front light will start to be in volume.

And then that charging protocol IC I just mentioned.

We have launched the next generation of Support PD 3.1, and then one chip can support two C ports with a maximum output of 140 watts.

This IC can also be combined with other A-port or C-port ICs belonging to our company through our proprietary communication protocol.

It's more of a multi-outlet thing, like a plug.

I think there's a lot of market potential for this.

Basically, if you are charging home appliances, you can use this solution to replace some of the plugs in your home.

The third product line is our small size, Mobile Driver ICs.

TDDI mass production of Tablet WUXGA in this quarter.

another is the small QVGA that can achieve very low power consumption.

Mainly used in the Wearable and Industrial markets.

It's coming up next season.

TDDI mass production for small QHD

There will be more.

HD Plus 144HZ for higher frequencies

Mass production of DSC products

The Low Power Consumption Wearable and Industrial QVGA mentioned just now will also be available in smaller sizes and resolutions, and will be mass-produced in the next quarter.

The AMOLED product line, which is of great interest to you, will also be in mass production in the second quarter after completing customer validation.

In Other Semi, the T-Con will be upgraded to high-frequency with TV, and Monitor will also be upgraded to high-frequency to 120HZ, so we will mass-produce Monitor FHD120HZ T-Con in this season.

Mass production of Monitor QHD120HZ T-Con in next quarter.

And Notebook EPD T-Con will be released this season.

In terms of ESL E5 ICs, our product line has been completed and our market share will continue to increase.

We have two new products, one is some of the Sensor for the machine to see, distance measurement or LDS used in the scanning robot, or intelligent bathroom will also be mass production in this quarter.

And we've developed some AI-ICs for edge computing.

Mainly for the machine vision market

We'll be delivering samples this season.

These are the key growth drivers for Fitipower.

I think it's a very difficult question to answer in terms of market demand and inventory.

The market demand is known not so well

macro economic and geopolitical issue still effect demand.

It is indeed very unpredictable and uncertain, but in terms of Inventory, I believe that everyone's inventory has almost been digested and is back to a healthy level.

So the next step should be to look at the market demand situation.

We're also looking forward to working with some of the

AI and High Performance Computing products can drive more of these displays around us, because AI PCs may also increase the specification of the display, and High Performance Computing will also increase the demand for Power Management products, such as DDR5.

This is what I have reported and explained to you.

[IR/JAMES CHEN]: Thank you, Mr. Chairman. Let's move on to the Q&A session.

Next we enter a Q & A session, you can use WebEx raise the hand function, you raise your hand, I will send a request to unmute, you press accept and then you can speak, ask a question, please use this WebEx tool, thank you! investors may now proceed to ask questions.

Do you have a question? Or you can send me a text message and we'll answer the question in your text message. Tiffany, you can ask.

[MORGAN STANLEY/TIFFANY]: James, thank you for accepting my question. My first question is to ask the company to look at the whole Driver IC price changes and trend this year, how is it? Can you share this with us, please?

[CHAIRMAN/YOUNG LIN]: Products will inevitably have the pressure to reduce prices, this is the fate of the semiconductor industry, we are mainly to enhance our competitiveness!

[MORGAN STANLEY/TIFFANY]: Okay, so do we see more pressure on the larger sizes? Or the small size?

[CHAIRMAN/YOUNG LIN]: The smaller sizes have been going on for a while, and the larger sizes as well, but we also want to say that

Propose new products, such as the cost-reduced versions just mentioned, and the new high-frequency P2P Driver. All of this should help the company maintain its gross margins.

As I mentioned before, the pressure to lower prices has been constant.

[MORGAN STANLEY/TIFFANY]: I'd like to ask again, is that we are now in addition to the new product announcement, but also see more price reductions on the foundry side, Will this allow us to continue to maintain better gross margins.

[CHAIRMAN/YOUNG LIN]: Foundry still needs volume to support its UT rate, so the price drop, Most of the time, you have to negotiate a special price based on the amount of volume you put in. Compared with the past, there is a comparison to be made, but it is still not an across-the-board price reduction.

[MORGAN STANLEY/TIFFANY]: understand

[IR/JAMES CHEN]: thank you Morgan Stanley tiffany

We have seen some text questions online, and one investor has asked about the status of ESL related products and the mass production status of four-color ICs.

[CHAIRMAN/YOUNG LIN]: Four-color products are gradually replacing three-color products.

I'm not sure of the percentage change between the two.

However, the mass production of four-color products has been quite obvious, and various SI end customers are also interesting four-color products.

[IR/JAMES CHEN]: next question is about the change in ESL's market share from last year to this year.

[CHAIRMAN/YOUNG LIN]: OK, with the four-color, called E5 products accounted for a higher proportion, because JADARD in this four-color is the development of faster than others!

So I'm expecting ESL's entire E5 and E4 market share

Should be able to more higher than 2023

[IR/JAMES CHEN]: Before any investor asks questions, some questions asked when the investors registered. first question

Just I mentioned that the company's Payout Ratio is generally maintained at more than 50%, so is there a chance to further increase it this year?

[CHAIRMAN/YOUNG LIN]: We hope to raise it this year, but that requires board approval.

[IR/JAMES CHEN]: Okay, thank you, Chairman.

Next, one of the investor has asked the following question.

What is the current share of China's wafer production? Will it increase the share and reduce the cost?

[CHAIRMAN/YOUNG LIN]: The proportion of driver IC production in China is indeed increasing.

However, due to geopolitical considerations, it's not possible to move all the way over there, as some customers still ask non china fabs.

It all depends on the needs of the customer

But the competitiveness of China's mature processes is increasing.

[IR/JAMES CHEN]: The company has just mentioned that it will mass produce products for AI computing at the edge, can you further explain?

[CHAIRMAN/YOUNG LIN]: The main purpose of this is to be in the AIOT market.

Integration with our existing products, for example, in the business environment, ESL business environment, or

Some of our original driver IC, Timing Control IC, look at this IC to see if we can do a Companion chip approach!

Provides the ability to do something with the image and something with the sound.

Let this panel or this small Device, can have some Intelligent, so it is called AIOT.

We're

In doing some exploration in this area, these ICs have just come out, and I hope to have some market Feedback!

[IR/JAMES CHEN]: What do you think about this year's revenue trend outlook, and which areas are currently experiencing better demand?

[CHAIRMAN/YOUNG LIN]: I believe that this year's revenue should be better than 2023

It is because

In the past, they were absorbing the inventory, but this year, it should not be the case.

So it's still up to the macro economy and the geopolitics not to be so conflicted, and then those interest rate hikes and cuts can be more in line with the expectations, and I believe that the consumer spending power should come back.

Then everyone's business will be better.

[IR/JAMES CHEN]: from Daisy at Morgan Stanley, AI PC's enhancements to the specification side, what is this?

In terms of Driver IC, is the specification upgraded? Or is it possible that it's the same specification?

Even as the unit price of CPU and NPU rises, some components like Driver IC, will there be pressure to reduce the specification and price, and does the company see any AI PC spec at present?

[CHAIRMAN/YOUNG LIN]: Of course, AI PCs don't have Spec yet, but everyone says that if you have 30T or 40T of computing power, then you can call it an AI PC.

Then Open AI has just released a Video Generated Model.

Like you're going to go through this kind of generative AI on a PC.

Your equipment in addition to the CPU, NPU

What you want to show.

I'm sure Display's specs must be upgraded as well

the other things

There are some AI features also used in not only those generative AI that may be used in the

Some additional functions for sports events, in this regard, because it is combined with those sports events or very high refresh rate of this Display Content, so its refresh rate must be increased.

And then its resolution has to be improved.

I'm sure it's together.

[IR/JAMES CHEN]: Okay, thanks. The next question is what is your opinion on the penetration rate of the color e-book market?

Another question is how the big client plan to promote color e-books.

[CHAIRMAN/YOUNG LIN]: Color e-books are what we have been pursuing, and the fact that e-books are in black and white actually limits their application.

Therefore, if the color of color e-books can reach a certain level, I believe that color e-books will definitely replace black and white e-books very quickly, and these large manufacturers should also have the same idea.

[IR/JAMES CHEN]: Thank you.

Do we have products for electronic signage? Large electronic paper signboards

[CHAIRMAN/YOUNG LIN]: YES

This is a pretty environmentally friendly product, because

With low power consumption and good color saturation, I think this is a promising application for e-paper in the future.

[IR/JAMES CHEN]: Thank you.

How do you think the shipment of PCs and TVs will be this year?

[CHAIRMAN/YOUNG LIN]: I'd say it's at least flat, but if the economy improves, it should have a chance to grow a little.

[IR/JAMES CHEN]: Thank you.

A question from another investor

The first season in 2024, TV has a rush order.

So overall first quarter 2024 large size DDIC will perform better than 2023 same period?

Can you compare other product lines, i.e., this year's first quarter 2024 with fourth quarter 2023?

[CHAIRMAN/YOUNG LIN]: TV does have a rush order.

The panel makers I just mentioned.

Reduce capacity utilization and then control prices

then for the Olympic Games, to increase the comparison

High value-added panel.

But the first season was

Fewer working days than in other quarters

So over all.

It should be about the same. It's a large-size condition.

What about the rest of the product line?

We are doing our best to maintain

No drop from the fourth quarter 2023, should still hold same level

[IR/JAMES CHEN]: Thanks to Jill from UBS.

What is the current timeline for the launch of Amazon Color eBooks?

[CHAIRMAN/YOUNG LIN]: You might want to ask Amazon about that.

[IR/JAMES CHEN]: Okay. Thank you.

Jamie from KGI, you can ask.

[KGI/JAMIE]: Thank you. Hello, Chairman. Hello, James.

I just want to follow up on what you just said.

That is, if the electronic paper becomes a signboard.

Does it require a lot of ICs and then higher voltage? Because the color saturation has to be high.

is that our preparation on this side is based on E5? and then at what point in time might we start to have revenues, because it's not going to be a

Important Momentum After one to two Years

[CHAIRMAN/YOUNG LIN]: Its structure is different from the current electronic price tag.

That is, as you said, because the size of the panel becomes larger so the driver IC is more, it may be more similar to the

monitor or TV, is not an integrated one.

Therefore, if this market can flourish, the demand for driver ICs will also increase, and we also have great expectations.

So when the market can get up? It depends

on strategies for promotion of some system companies

We're ready, too.

[KGI/JAMIE]: So it would be more similar to the current screen, the LCD type of structure, right? Because if so, will there be more competitors?

[CHAIRMAN/YOUNG LIN]: However, the way it drives is separated, and the way it drives is still not the same as LCD.

[KGI/JAMIE]: because we have been doing this for a long time. but the fact that it is a new structure.

We'll prepare the structure first.

Then, when the demand comes, we can mass produce them immediately.

In ESL, it's going to be the clearer one this year.

Because it may not be a consumers product.

So it's more of a definite growth.

[CHAIRMAN/YOUNG LIN]: Yes, this year in our own ESL this product line

Because of our E5.

It's ready earlier.

Therefore, if the proportion of E5 is increased, our market share will be increased, which means growth.

[KGI/JAMIE]: I understand, so if the market grows and then E5 has a large market share, theoretically this year is comparable to last year.

Actually, it should have grown quite a bit.

It's because that last year still have inventory issue.

[CHAIRMAN/YOUNG LIN]: yes

[KGI/JAMIE]: I understand that, so if you are talking about other LCD drivers.

And POWER, it depends on the market demand.

[CHAIRMAN/YOUNG LIN]: But we also have some new product launches, and previously we had some

P2P interface has not been plowed, and now have customers in verification

[KGI/JAMIE]: realize

Does that help with the gross profit?

[CHAIRMAN/YOUNG LIN]: Because it's P2P, and then it's high-frequency, so yes

[KGI/JAMIE]: Understood. Thank you.

[IR/JAMES CHEN]: Okay, so let's come back to the question on the line, Albert from Nomura.

Albert's question is: Are TDDI and AMOLED DDI currently being offered by Taiwan-based fabs?

Will like the LDDI, being offered in China fabs in the future?

[CHAIRMAN/YOUNG LIN]: AMOLED is dominated by Taiwan fabs.

TDDI is partly in China

Some of them are in Taiwan fabs.

LDDI is not all in China, as I explained to you before, there are some geopolitical issues, you can not be in the China fabs to produce.

[IR/JAMES CHEN]: Okay. Thank you.

Jill from UBS has asked about the launch timeline and demand outlook for AMOLEDs

[CHAIRMAN/YOUNG LIN]: AMOLED is the second quarter of mass production

Then the demand depends on how hard we try.

The demand must be increasing because cell phone

The percentage of switching to AMOLED screens is getting faster and faster.

[IR/JAMES CHEN]: because the time, shall we open it up again for the last two questions?

If there are no questions later, this may be the end of today's meeting.

Okay, Katty from Nomura.

Recently a number of IC design companies seem to be trying to make

ASIC, what does the chairman think?

[CHAIRMAN/YOUNG LIN]: I think our ICs have always been ASICs.

The ASICs you mention may be system vendor-commissioned ASICs.

Some of that.

In order to differentiate their products, some larger system companies would like to have some new features in the ICs they use, and they would commission

These big IC design companies design ASICs.

I think it's a good one way to develop.

It's because it's not very beneficial for the big system companies to have their own IC design department.

Medium and large IC design companies actually do have some bandwidth to serve these system companies, making some ASICs and then making some difference in the performance of their systems.

Especially in the area of AI

The performance that each person pursues may be different from the previous standard parts, I think this is a good and positive trend for the semiconductor industry.

[IR/JAMES CHEN]: Okay, thank you. We'll open it up for one last question.

How do you differentiate your company from the rest of the driver IC company?

How about self-positioning

[CHAIRMAN/YOUNG LIN]: Anyway, we all want to make our products more comprehensive and extensive.

And then it can become a design company that is not just a driver IC company through strategic alliances or through mergers and acquisitions.

Therefore, we expect to move faster and smoother in this area.

[IR/JAMES CHEN]: I have some additional information about that, we have highest ratio revenue in PMIC than other driver IC company.

Our power management IC revenue is nearly 16%.

I think this point is what different than others, in the non-driver part, just included like other semi revenues, this part will become larger, this is another different point.

Due to the time constraints today, this is the end of today's meeting. Thank you for joining us today for our fourth quarter 2023 Quarterly Operating Report and conference call.