Risk Factors Comparison 2024-02-29 to 2023-02-24 Form: 10-K

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~~Our business involves numerous risks and uncertainties. You should carefully consider the risks described below, together with all of the other information in this Annual Report on Form 10- K and other filings with the SEC in evaluating our business. If any of the following risks actually occur, our business, financial condition, operating results, and growth prospects would likely be materially and adversely affected. In such an event, the trading price of our common stock could decline, and you could lose all or part of your investment in our common stock. Our past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. These risks involve forward- looking statements and our actual results may differ substantially from those discussed in these forward- looking statements. Risk Factors Summary~~ The following summary description sets forth an overview of the material risks we are exposed to in the normal course of our business activities. The summary does not purport to be complete and is qualified in its entirety by reference to the full risk factor discussion immediately following this summary description. We encourage you to read the full risk factor discussion carefully. Our revenue and expenses are difficult to predict, have varied significantly in the past **,** and could fluctuate significantly in the future due to numerous risks and uncertainties, many of which are beyond our control. As a result, we may not be profitable on a quarterly or annual basis. Our business, results of operations and financial condition, as well as your investment in our common stock, could be materially and adversely affected by any of the following material risks: • our dependence on the markets in Asia for our customer base, which may expose us to political, cultural, regulatory, economic, foreign currency and operational risks; • changes in general economic conditions in the countries where our products are sold or used, particularly those in China; • the impact of extensive Chinese government regulations, reduction or elimination of incentives, and uncertainties with respect to China' s legal system, on us and our manufacturing partners and suppliers; • changes in international trade policy, such as tariffs on imports of foreign goods and regulations restricting the export of goods and services, between the U. S. and China; • political and other risks in Taiwan and Hong Kong due to their tense relationships with China; • **fluctuations** ~~adverse movements~~ in ~~foreign exchange rates~~ **the value of the U. S. Dollar relative to other currencies** , including the Renminbi; • our **reliance on key suppliers in China, which may expose us to political, cultural, regulatory, economic, foreign currency, operational and capacity shortage risks; • our** ability to ~~experience~~ **achieve** growth rates **or financial performance** comparable to past years; • changes in general demand for electronic products in the end markets that we serve; • our ability to accurately forecast sales and expenses due to the nature of our business as a component supplier; • our ability to timely develop and introduce new products, and the acceptance of our new products in the marketplace; • our dependency on a limited number of customers, including distributors and value- added resellers, for a significant portion of our revenue; • potential product liability risks due to defects or failures to meet specifications; • lengthy sales cycles for our products balanced against the fixed nature of a substantial portion of our expenses; • availability of adequate manufacturing capacity from our suppliers, and our ability to increase product sales ~~and revenue~~ in spite of capacity issues; **11** • increases in unanticipated costs as a result of increasing manufacturing capacity; ~~10~~ • our dependency on third- party suppliers for wafer purchases and potential increases in prices for wafers due to general capacity shortages; • our ability to deliver products on a timely basis despite disruptions in our relationships with assembly and test subcontractors; • our ability to manage our inventory levels, including the levels of inventory held by our distributors; • increases in manufacturing costs due to commodity price increases; • the highly cyclical nature of the semiconductor industry, and increased competition due to industry consolidation; • competition from companies with greater financial and technological resources **,** and customers developing products internally; • the impact of system upgrades, cyberattacks or other system security, data protection and privacy breaches on our business operations; • the impact of various U. S. and international laws and regulations regarding data protection on our business operations; • our significant investment of resources in research and development ~~,~~ that may not result in increased future sales; • our ability to realize the anticipated benefits of any business acquisitions and other strategic investments; • ~~risks associated with financial reporting, including~~ the impact of new tax laws on our tax provision and tax planning **; • risks in connection with our internal control over financial reporting and the identified material weakness** ; • our failure to comply with various governmental laws and regulations ~~, including those~~ related to environmental, social and governance (" ESG ") initiatives **or our failure to meet our own ESG goals and targets** ; • our ability to successfully defend ourselves in legal proceedings and protect our intellectual property, and the significant increase in legal expenses as a result of such proceedings; • the loss of key personnel; • risks associated with owning our stock, including volatility in our trading price due to our business and financial performance, analyst downgrades, failure to meet our own or analyst expectations, changes to our **stock repurchase or** dividend program, and dilution from issuance of additional shares; • **health risks** ~~the effect of epidemics and pandemics~~ , ~~such as the COVID- 19 pandemic, on our business; and •~~ climate crises and other natural disasters **;** ~~, health risks,~~ and **• financial market,** ~~economic~~ **economy** and geopolitical uncertainties ~~, including the Russia- Ukraine conflict~~ . ~~11Risks~~ **12Risks** Associated with Our Significant Operations in Asia, Particularly in China We derive most of our revenue from direct or indirect sales to customers in Asia and have significant operations in Asia, which may expose us to political, cultural, regulatory, economic, foreign exchange, and operational risks. We derive most of our revenue from customers located in Asia through direct sales or indirect sales ~~through~~ **under** distribution arrangements and value- added reseller agreements with parties located in Asia. As a result, we are subject to significant risks due to this geographic concentration of business and operations. For the year ended December 31, ~~2022~~ **2023** , ~~86~~ **87** % of our revenue was from customers in Asia. There are risks inherent in doing business in Asia, and internationally in general, including: • changes in, or impositions of, legislative or regulatory requirements or restrictions, including tax and trade laws in the U. S. and in the countries in which we manufacture or sell our products, and ~~government~~ **governmental** action to restrict our ability to sell to foreign customers where sales of products may require export licenses; • trade restrictions imposed by the U. S. related to goods imported from regions in China with records of forced labor and other human rights issues; • currency exchange rate fluctuations impacting intercompany transactions; • ~~the~~ fluctuations in the value of the U. S. Dollar relative to other foreign currencies, which could affect the competitiveness of our products; • transportation delays and other supply chain issues; • changes in tax regulations in China that may impact our tax status in Chengdu, Hangzhou and other regions where we have significant operations ~~; • tariffs imposed by China and the U. S. that may impact our sales~~ ; • multi- tiered distribution channels that may diminish visibility to end customer pricing and purchase patterns; • international political relationships and acts or threats of war; • terrorism and threats of terrorism; • ~~epidemics and illnesses, such as the COVID- 19 pandemic; •~~ adverse weather conditions or other natural disasters **that may cause** ~~such as extreme heatwaves, affecting energy supply in our facilities in China and causing~~ work stoppages **and affect our operations in China** ; • work stoppages related to employee dissatisfaction; • economic, social and political instability; • longer accounts receivable collection cycles ~~and difficulties in collecting accounts receivables~~ ; • enforcing contracts generally; and • less effective protection of intellectual property and contractual arrangements. If we fail to expand our customer base and significantly reduce the geographic concentration of our customers, we will continue to be subject to the foregoing risks, which could materially and adversely affect our business, financial condition and results of operations. ~~12Our~~ **13Our** business has been and may be significantly impacted by worldwide economic conditions, in particular changing economic conditions in China. Our operations and performance depend significantly on global economic conditions. Adverse macroeconomic conditions, including inflation, ~~slower~~ **slowing** growth, recession, stagflation, new or increased tariffs and other barriers to trade, tighter credit, higher interest rates, **currency fluctuations,** higher unemployment **, labor shortages, lower capital expenditures by businesses,** and ~~currency fluctuations can~~ **lower consumer confidence and spending, have in the past, and could in the future, have a** ~~materially~~ -- **material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** logistics ~~or~~ **,** demand for our products **, and our product and operational costs** . For example, **due to economic uncertainties** in **2023** ~~recent months~~ , some of our customers ~~have~~ cancelled, decreased or delayed their existing and future orders with us **, which impacted our financial results and made our forecasting much more difficult** . **In addition,** ~~Volatility~~ **volatility** in the credit markets could severely diminish **our customers'** liquidity and capital availability **, which could materially harm our business** . Demand for our products is a function of the health of the economies in the ~~United States~~ **U. S.** , Europe, China and the rest of Asia. We cannot predict the timing, strength or duration of any economic disruptions, such as those resulting from the ~~COVID- 19 pandemic, the~~ global economic downturn ~~or~~ **,** the Russia- Ukraine conflict, **the Middle East conflict** or subsequent economic recovery worldwide, in our industry, or in the different markets that we serve. We also may not accurately assess the impact of changing market and economic conditions on our business and operations. These and other economic factors could have a material adverse effect on demand for our products and on our financial condition and operating results. In particular, since we have significant operations in China, our business development plans, results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in China. **The current stagnation** ~~A slowdown in economic growth~~ in China **' s economy has adversely impacted, and** could **further** adversely impact our customers, prospective customers, suppliers, distributors and partners in China, which could have a material adverse effect on our **operating** results ~~of the operations~~ and financial condition ~~. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in China will not occur or persist in the future, that they will not be protracted, or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations. China has continued to experience COVID- 19 outbreaks, specifically in Shanghai and Chengdu where we have business operations and where many of our customers and suppliers are located. In response to the outbreaks, local governments have implemented, and may continue to implement, strict measures including quarantines, shutdowns and other business restrictions, which have resulted in logistics challenges throughout China. These strict measures, and the disruptions as a result thereof, did not have a material adverse impact on our operations for the year ended December 31, 2022. However, the impact of any new outbreaks on our business and financial results for 2023 will depend on future developments, which are highly uncertain and cannot be predicted. If governmental restrictions are re- imposed or additional measures are imposed to contain the spread of the virus, we could experience significant disruptions in our operations and reduced capacity available to us at some of our suppliers, all of which could limit our ability to meet customer demand and could have a material adverse effect on our financial condition and results of operations. We will continue to monitor the situation, assess further possible implications to our business, supply chain and customers, and take actions to mitigate adverse consequences to the extent feasible~~ . There are inherent risks associated with the operation of our manufacturing and testing facilities in China, which could increase product costs or cause a delay in product shipments. We have manufacturing and testing facilities in China. We face the following risks, among others, with respect to our operations in China: • challenges to hire and maintain a qualified workforce; • natural disasters such as **earthquakes, flooding,** severe heatwaves or droughts, which could result in ~~prolonged~~ power shortages or water restrictions in our facilities ~~; • Shutdowns or reduced operations due to COVID- 19 outbreaks or government restrictions~~ ; • challenges to maintain appropriate and acceptable manufacturing controls; and • higher than anticipated overhead and other **operational** costs ~~of operation~~ . If we are unable to maintain our facilities in China at ~~fully~~ - **full** operational status with qualified workers, appropriate manufacturing controls and reasonable cost levels, we may incur **costs** higher ~~costs~~ than our current expense levels, which would affect our gross margins **and operating expenses** . In addition, if capacity restraints result in significant delays in product shipments, our business and results of operations would be **materially and** adversely affected. ~~13We~~ **14We** and **many of** our manufacturing partners and suppliers are ~~or will be~~ subject to extensive Chinese government regulations, and the benefit of various incentives from Chinese governments that we and **many of** our manufacturing partners and suppliers receive may be reduced or eliminated, which could increase our costs or limit our ability to sell products and conduct activities ~~in China. We have manufacturing and testing facilities in China and most of our manufacturing partners and suppliers are located~~ in China. The Chinese government has broad discretion and authority to regulate the technology industry in China. Additionally, the Chinese government has implemented policies from time to time to regulate economic ~~expansion~~ **activities** in China. It exercises significant control over China' s ~~economic~~ **economy** ~~growth~~ through the allocation of resources, controlling payment of foreign currency- denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any additional ~~new~~ regulations or the amendment of previously implemented regulations could require us and our manufacturing partners and suppliers to change our business plans, increase our costs, or limit our ability to sell products and conduct **business** activities in China, which could **materially and** adversely affect our business and operating results. The Chinese government and provincial and local governments **have** also ~~have~~ provided, and **may** continue to provide, various incentives to encourage the development of the semiconductor industry in China. Such incentives include cash awards, tax rebates, reduced tax rates, favorable lending policies and other measures, some or all of which may be available to our manufacturing partners, suppliers and us ~~with respect to our facilities in China~~. Any of these incentives could be reduced or eliminated by governmental authorities at any time, which could **materially and** adversely affect our business and operating results. Uncertainties with respect to China' s legal system, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in policies, laws and regulations in China could **materially and** adversely affect our operations. China' s legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. Since China' s legal system continues to rapidly evolve, the interpretations and enforcement of these laws and regulations are not always uniform and involve uncertainties. In addition, any new or amended laws and regulations related to, among other things, foreign ~~investment~~ **investments** and manufacturing could have a material adverse effect on our business and our ability to operate ~~our~~ business in China. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since China' s administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection than those that may be provided in other jurisdictions. These uncertainties may impede our ability to enforce contracts in China and could materially and adversely affect our business and results of operations. Furthermore, China' s legal system is based in part on government policies and internal rules, some of which are not published on a timely basis, or at all, and may have retroactive ~~effect~~ **effects**. As a result, we may not be aware of our violation of any of these policies and rules until ~~sometime~~ **some time** after the violation may have occurred. Such unpredictability towards our contractual, property and procedural rights and any failure to quickly respond to changes in the regulatory environment in China could **materially and** adversely affect our business and impede our ability to continue our operations and proceed with our ~~future~~ business plans in China. ~~14We~~ **15We** are subject to export laws, trade policies and restrictions including international tariffs that could materially and adversely affect our business and results of operations. We are subject to U. S. laws and regulations that could limit and restrict the export of some of our products and services and may restrict our transactions with certain customers, business partners and other ~~persons~~ **individuals**, including, in certain cases, dealings with or between our employees and subsidiaries. In certain circumstances, export ~~control~~ **controls** and economic sanctions ~~regulations~~ may prohibit the export of certain products, services and technologies, and in other circumstances we may be required to obtain an export license before exporting the controlled item. Compliance with these laws and regulations has not materially limited our operations or our sales, but could ~~materially limit them~~ in the future, which would materially and adversely affect our business and results of operations. We maintain an export compliance program **,** but **our** ~~there are risks that the~~ compliance controls could be circumvented, exposing us to legal liabilities **, sanctions and restrictions on our business**. We must also comply with export restrictions and laws imposed by other countries affecting trade and investments. Although these restrictions and laws have not materially restricted our operations in the ~~recent~~ past, ~~there is a significant risk that~~ they could do so in the future, which would materially and adversely affect our business and results of operations. In addition, U. S. laws and regulations and sanctions, or threat of sanctions, that could limit ~~and~~ **or** restrict the export of some of our products and services ~~to our customers~~ may also encourage our customers to develop their own solutions to replace our products, or seek to obtain a greater supply of similar or substitute products from our competitors that are not subject to these restrictions, which could materially and adversely affect our business, financial condition and results of operations. **Furthermore** ~~Since the beginning of 2018~~, **our customers' end products and systems that incorporate our components could be subject to export laws, trade policies and** ~~there~~ - **other sales restrictions, which could indirectly affect our business, financial conditions and results of operations. For example, the increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI, and may in the future result in additional restrictions impacting the sales of AI technologies or products. Any of such regulatory restrictions could, in turn, impact the sales of our products supporting AI applications. There** has been increasing rhetoric, in some cases coupled with legislative or executive action, from several U. S. and foreign leaders regarding tariffs against foreign imports of certain materials. More specifically, there have been several rounds of U. S. tariffs on Chinese goods that have taken effect in the past few years, some of which prompted retaliatory Chinese tariffs on U. S. goods. The institution of trade tariffs both globally and between the U. S. and China specifically carries the risk of negatively affecting both countries' overall economic condition, as well as our business and financial results. If these tariffs continue or additional ~~new~~ tariffs are imposed in the future, they could have a negative impact on us as we have significant operations in China and the U. S. Additionally, the imposition of tariffs is dependent upon the classification of goods under the U. S. Harmonized Tariff System (" HTS ") and the country of origin of the goods. Determination of the HTS and the origin of the goods is a technical matter that can be subjective in nature. Accordingly, although we believe our classifications of both HTS and origin are appropriate, there is no certainty that our assessment will be consistent with that of the U. S. government. If the U. S. government does not agree with our determinations, we could be required to pay additional amounts, including potential penalties. We face political and other risks conducting business in Taiwan and Hong Kong, particularly due to their tense relationships with China. We have significant business operations in Taiwan, and many of our manufacturing partners and suppliers are located in Taiwan. Accordingly, our business, financial condition and results of operations may be affected by changes in governmental and economic policies in Taiwan, social instability and diplomatic and social developments in or affecting Taiwan due to its unique international political status. Although **Taiwan and China have** significant economic and cultural relations ~~have been established between Taiwan and China~~, we cannot assure that relations between Taiwan and China will not face political **, military** or economic ~~uncertainties~~ **challenges or actions** in the future. Any deterioration in the relations between Taiwan and China, and other factors affecting military, political or economic conditions in Taiwan, could disrupt our business operations and materially and adversely affect our results of operations. In addition, the Chinese government has promulgated new regulations impacting economic and political stability within Hong Kong where many of our customers are located. Due to the sensitive political climate these regulations created, there are increasing risks that ~~the~~ **this China' s** national security law may trigger sanctions or other forms of restrictions by foreign governments including the U. S., which could affect companies conducting business in Hong Kong. It is difficult for us to predict the impact, if any, the implementation of the national security law will have on our business, as such impact will depend on future developments, which are highly uncertain and cannot be predicted. Fluctuations in the value of the U. S. Dollar relative to other foreign currencies, including the Renminbi, may adversely affect our results of operations. ~~Several~~ **Many** of our manufacturing and other suppliers are and will continue to be primarily located in China for the foreseeable future. In connection with the global economic downturn, there has been an increased level of global currency fluctuation and volatility. If the value of the Renminbi rises against the U. S. Dollar, there could be an increase in our manufacturing costs relative to competitors who have manufacturing facilities located outside ~~of~~ China, which could adversely affect our **financial results and** operations. In addition, our sales are primarily denominated in the U. S. Dollar. If the value of the U. S **.** Dollar rises against other currencies, it may adversely affect the demand for our products in international markets, which could negatively **and materially** impact our business and results of operations. We incur foreign currency exchange gains or losses related to certain transactions, including intercompany transactions between the U. S. and our foreign subsidiaries, that are denominated in currencies other than the functional currencies. Fluctuations in the value of the U. S. Dollar relative to foreign currencies could increase the amount of foreign currency exchange losses we record, which could have an adverse **and material** impact on our results of operations. **A significant portion of our manufacturing capacity comes from suppliers in China, which exposes us to political, cultural, regulatory, economic, foreign exchange, and operational risks. A significant portion of our manufacturing, assembly and packaging capacity comes from key suppliers located in China. As a result, we are subject to significant political, regulatory, economic, foreign exchange, and operational risks due to this geographic concentration in our business. Although our management has an established long- term strategy to diversify capacity outside China, there is no guarantee that we will be able to identify, qualify and engage additional foundry partners and assembly and packaging suppliers in other regions in order to mitigate these risks, or that the quality, price or terms of such production will be sufficient or acceptable to us, any of which could negatively and materially harm our business and results of operations.** ~~15Risks~~ **16Risks** Associated with Product Demand and Sales We may not ~~experience~~ **achieve** growth rates **or financial performance** comparable to past years. In the past, our revenue increased significantly in certain years due to increased sales of certain of our products. We are subject to numerous risks and factors that could cause a decrease in our growth rates **, or a decline in revenue** compared to past periods, including increased competition, loss of certain of our customers, unfavorable changes in our operations, reduced global electronics demand, a deterioration in market conditions including as a result of the global economic downturn, end- customer market downturn, market acceptance and penetration of our current and future products, and litigation. A ~~material~~ decrease in our growth rates **, or a decline in revenue,** could **materially and** adversely affect our **business** ~~stock price~~ and results of operations. If demand for our products declines in the major end markets that we serve, our revenue will decrease and our results of operations and financial condition would be materially and adversely affected. We believe that the application of our products in the storage and computing, enterprise data, automotive, industrial, ~~communications~~ **communication** and consumer markets will continue to account for the majority of our revenue. If we are not able to accurately predict new end markets to serve or if the demand for our products declines in **certain of** our current major end markets, our revenue ~~will~~ **would** decrease **compared to prior year periods** and our results of operations and financial condition would be materially and adversely affected. In addition, as technology evolves, the requirement to integrate the functionalities of various components, including our discrete semiconductor products, onto a single chip and / or onto other components of systems containing our products increases. Should our customers require integrated solutions that we do not offer, demand for our products could decrease, and our business, financial condition and results of operations would be materially and adversely affected. Due to the nature of our business as a component supplier, we may have difficulty both in accurately predicting our future revenue and appropriately managing our expenses. Because we provide components for end products and systems, demand for our products is influenced by our customers' end product demand. As a result, we may have difficulty in accurately forecasting our revenue and expenses. Our expenses and revenue depend on the timing, size, and speed of commercial introductions of end products and systems that incorporate our products, all of which are inherently difficult to forecast, as well as the ongoing demand for previously introduced end products and systems. In addition, demand for our products is influenced by our customers' ability to manage their inventory. Our sales to distributors are **also** subject to higher volatility because they service demand from multiple levels of the supply chain which, in itself, is inherently difficult to forecast ~~, all~~ **. All** of ~~which may~~ **these factors continue to** be exacerbated by the adverse effects of macroeconomic factors, including ~~increased~~ inflation, increased interest rates, supply chain disruptions, decreased economic output, fluctuations in currency rates, ~~the COVID- 19 pandemic and~~ the Russia- Ukraine conflict **and the Middle East conflict** . If our customers, including distributors **, reduce their orders from us** , do not manage their inventory correctly or misjudge their customers' demand, our shipments to and orders from our customers may vary significantly **or decline** on a quarterly basis, and we may have difficulty forecasting our expenses and inventory levels, which could reduce our revenue, result in inventory write offs, and adversely affect our financial condition and results of operations. We may be unsuccessful in developing and selling new products with margins similar to, or better than, what we have experienced in the past, which ~~would~~ **could** impact our overall gross margin and financial performance. Our success depends on our development and sale of products that are differentiated in the market, with gross margins that have historically been above industry averages. Should we fail to improve **or maintain** our gross ~~margin~~ **margins** in the future, and accordingly develop and introduce sufficiently differentiated products that result in higher gross margins than industry averages, our business, financial condition and results of operations could be materially and adversely affected. We may be unsuccessful in developing and selling new products or in penetrating new markets required to maintain or expand our business. Our competitiveness and future success depend on our ability to design, develop, manufacture, assemble, test, market, and support new products and enhancements on a timely and cost- effective basis. A fundamental shift in technologies in any of our product markets could have a material adverse effect on our competitive position within these markets. Our failure to timely develop new technologies or to react quickly to changes in existing technologies could materially delay our development of new products, which could result in product obsolescence, decreased revenue, and / or a loss of market share to competitors. As we develop new product lines, we must adapt to market conditions that ~~are~~ **may be** unfamiliar to us, such as competitors and distribution channels that are different from those we have known in the past. Some of our new product lines require us to re- equip our labs to test parameters we have not tested in the past. If we are unable to adapt rapidly to these new ~~and additional~~ conditions, we may not be able to successfully penetrate new markets. The success of a new product depends on accurate forecasts of long- term market demand and future technological developments, as well as on a variety of **other** ~~specific implementation~~ factors, including: • timely and efficient completion of process design and device structure improvements; • timely and efficient implementation of manufacturing, assembly, and test processes; • the ability to secure and effectively utilize fabrication capacity in different geometries; • product performance; • product availability **and pricing** ; ~~16~~ **17** • product quality and reliability; and • effective marketing, sales and ~~service~~ **services** . To the extent that we fail to timely introduce new products or to quickly penetrate new markets, our business, financial condition and results of operations could be materially and adversely affected. We receive a significant portion of our revenue from distribution arrangements ~~,~~ and value- added resellers, and the loss of any one of these distributors, value- added resellers or direct customers **,** or failure to collect a receivable from them could **materially and** adversely affect our financial position and results of operations. We market our products through distribution arrangements and value- added resellers, and through our direct sales ~~and applications support organization~~ to customers that include OEMs, ODMs and EMS providers. Receivables from our customers are generally not secured by any type of collateral and are subject to the risk of being uncollectible. Significant deterioration in the liquidity or financial condition of any such major customers or any group of our customers could have a material adverse impact on the collectability of our accounts receivable and our future **financial condition and** operating results. While we could partner with other distributors or value- added resellers to replace any of our customers, the change in business partners could interrupt our operations **, cause us to have to identify and qualify new partners,** and have a materially adverse impact on our business, financial condition and ~~result~~ **results** of operations. Moreover, we believe a high percentage of our products are eventually sold to a number of OEMs and ODMs. Although we communicate with OEMs and / or ODMs in an attempt to achieve " design wins, " which are decisions by OEMs and / or ODMs to incorporate our products, we do not have purchase commitments from these end users. Therefore, there can be no assurance that the OEMs and / or ODMs will continue to incorporate our ICs into their products, even if we secure a design win. OEM technical specifications and requirements can change rapidly, and we may not have products that fit new specifications from an end customer for whom we have had previous design wins. We cannot be certain that we will continue to achieve design wins from large OEMs, that our ~~direct~~ customers will continue to be successful in selling to the OEMs, or that the OEMs will be successful in selling products which incorporate our ICs. The loss of any significant customer, any material reduction in orders by any of our significant customers or by their OEM customers, the cancellation of a significant customer order, or the cancellation or delay of a customer' s or an OEM' s significant program or product could reduce our revenue and adversely affect our financial condition and results of operations. Our products must meet specifications, and undetected defects and failures may occur, which may cause customers to return or stop buying our products and may expose us to product liability risk. Our customers generally establish demanding specifications for quality, performance, energy efficiency and reliability that our products must meet. ICs as complex as ours often encounter development delays and may contain undetected defects or failures when first introduced or after commencement of commercial shipments, which might require product replacement or recall. Further, our third- party manufacturing processes or changes thereto, or changes in the ~~raw material~~ **materials** used in the manufacturing processes may cause our products to fail. From time to time, we have experienced product quality, performance or reliability problems. Our standard warranty period is generally one ~~to~~ **or** two years, which exposes us to significant risks of claims for defects and failures. If defects and failures occur in our products, we could experience **a** ~~lost~~ **loss of customers and / or a decrease in** revenue, increased costs, including warranty expense and costs associated with customer support, cancellations or rescheduling of orders or shipments, and product returns or discounts, any of which would harm our operating results. In addition, product liability claims may be asserted by our customers. Although we currently have insurance, there can be no assurance that we have obtained ~~a~~ sufficient ~~amount of~~ insurance coverage or that asserted claims will be within the scope of coverage. Our insurance providers could deny or challenge these claims, and as a result, reimbursement to us is not guaranteed or could be delayed. If coverage is denied, we may not have sufficient resources to pay for these claims. Furthermore, ~~due to recent changes in the insurance industry,~~ we may experience a significant increase in premiums and therefore decide to selfinsure, which may not meet the expectations or requirements of certain customers. All of these factors could have a material and adverse impact on our business, financial condition and results of operations. ~~17Because~~ **18Because** of the lengthy sales cycles for our products and the fixed nature of a significant portion of our expenses, we may incur substantial expenses before we earn associated revenue and may not ultimately achieve our forecasted sales for our products. The introduction of new products presents significant business challenges because product development plans and expenditures may be made up to two years or more in advance of any sales. It generally takes us up to 12 months or more to design and manufacture a new product prototype. Only after we have a prototype do we introduce the product to the market and begin selling efforts in an attempt to achieve design wins. This sales process requires us to expend significant sales and marketing resources without any assurance of success. Volume production of products that use our ICs, if any, may not be achieved for an additional period of time after an initial sale. Sales cycles for our products are lengthy for a number of reasons, including: • our customers usually complete an in- depth technical evaluation of our products before they place a purchase order; • the commercial adoption of our products by OEMs and ODMs is typically limited during the initial release of their product to evaluate product performance and consumer demand; • our products must be designed into our customers' products or systems; and • the development and commercial introduction of our customers' products incorporating new technologies are frequently delayed. As a result of our lengthy sales cycles, we may incur substantial expenses before we earn associated revenue because a significant portion of our operating expenses is relatively fixed and based on expected revenue. The lengthy sales cycles of our products also make forecasting the volume and timing of orders difficult. In addition, the delays inherent in lengthy sales cycles raise additional risks that customers may cancel or change their orders, particularly as such customers are exposed to economic risks in connection with the global economic downturn. Our sales are made by purchase orders. Because industry practice allows customers to reschedule or cancel orders on relatively short notice, backlog is not always a good indicator of our future sales. If customer cancellations or ~~product~~ **purchase order** changes occur, we could lose anticipated sales and not have sufficient time to reduce our inventory and operating expenses. Risks Associated with Supply and Manufacturing Our ability to increase product sales and revenue may be constrained by the manufacturing capacity of our suppliers. Although we provide our suppliers with rolling forecasts of our production requirements, their ability to provide wafers to us is limited by the available capacity, particularly capacity in the geometries we require, at the facilities in which they manufacture wafers for us ~~. For example, we believe the strong increase in industry- wide demand for electronic equipment for remote work arrangements as a result of the COVID- 19 pandemic has resulted, and will continue to result, in capacity shortages of our suppliers~~ . As a result, this lack of capacity has at times constrained our product sales and revenue growth. In addition, an increased need for capacity to meet internal demands or demands of other customers could cause our suppliers to reduce capacity available to us. Our suppliers may also require us to pay amounts in excess of contracted or anticipated amounts for wafer deliveries or require us to make other concessions in order to acquire the wafer supply necessary to meet our customer requirements. If our suppliers extend lead times, limit supplies or the types of capacity we require, or increase prices due to capacity constraints or other factors, our revenue and gross margin may materially decline. In addition, if we experience supply delays or limitations, our customers may reduce their purchase levels with us and / or seek alternative solutions to meet their demand, which could materially and adversely impact our business and results of operations. ~~Delays in increasing third- party manufacturing capacity may also limit our ability to meet customer demand.~~ There may be unanticipated costs associated with **increasing** ~~adding to~~ our third- party suppliers' manufacturing capacity. We anticipate that future growth of our business will require increased manufacturing capacity on the part of third- party supply foundries, assembly shops, and testing facilities for our products. In order to facilitate such growth, we may need to enter into strategic transactions, investments and other activities, **with** both ~~with~~ our current suppliers and ~~with~~ new suppliers. Such activities are subject to a number of risks, including: • the costs and expense associated with such activities, including requirements to make long- term purchase commitments ~~and~~ **including** upfront cash deposits to our suppliers; • the availability of modern foundries to be developed, acquired, leased or otherwise made available to us or our third- party suppliers; • the ability of foundries and our third- party suppliers to obtain the advanced equipment used in the production of our products; • delays in identifying and negotiating agreements with new foundries and suppliers; and • environmental, engineering or manufacturing qualification problems relating to existing or new foundry facilities, including delays in qualification of new foundries by our customers. These and other risks may affect the ultimate cost and timing of any expansion of our third- party supplier capacity. If our manufacturing costs increase, including as a result of inflationary pressure, or we experience supply constraints, we may be required to raise the prices ~~for~~ **of** our products to remain profitable, which could result in a loss of customers. **If we are unable to increase or maintain our manufacturing capacity, we may be unable to meet demand, which would harm our revenue and results of operations and may result in a loss of customers as they seek supply from other sources.** ~~18We~~ **19We** currently depend on third- party suppliers to provide us with wafers for our products. If any of our wafer suppliers are acquired, become insolvent or capacity constrained, or are otherwise unable to provide us sufficient wafers at acceptable yields ~~and~~ **or** at anticipated costs, our revenue and gross margin may decline or we may not be able to fulfill our customer orders. We have supply arrangements with certain suppliers for the production of wafers. Should any of our suppliers be acquired or become insolvent or capacity constrained, we may not be able to fulfill our customer orders, which would likely cause a decline in our revenue. While certain aspects of our relationships with these suppliers are contractual, many important aspects of our relationships depend on our suppliers' continued cooperation and our management of **such** ~~the supplier~~ relationships **with the suppliers** . Our relationships could ~~also~~ be negatively impacted by changes in control or changes in the management team of the suppliers. In addition, the fabrication of ICs is a highly complex and precise process. Problems in the fabrication process can cause a substantial percentage of wafers to be rejected or numerous ICs on each wafer to be non- functional. This could potentially reduce yields and supply of our products. The failure of our suppliers to **provide** ~~supply us~~ wafers at acceptable yields could prevent us from fulfilling our customer orders ~~for our products~~ and would likely cause a decline in our revenue. In addition, adverse macroeconomic conditions, such as inflationary pressures resulting from worldwide supply chain constraints and other factors, have increased, and may continue to increase **,** the prices we pay to our suppliers. As a result of the increased costs, we have raised, and may be required to further raise the prices of our products in order to remain profitable, which could result in a loss of customers and reduced revenue. Further, as is common in the semiconductor industry, our customers may reschedule or cancel orders on relatively short notice. If our customers cancel orders after we submit a committed forecast to our suppliers for the corresponding wafers, we may be required to purchase wafers that we may not be able to resell, which would adversely affect our financial condition, results of operations and cash flows. We might not be able to deliver our products on a timely basis if our relationships with our assembly and test subcontractors are disrupted or terminated. We do not have direct control over product delivery schedules or product quality because all of our products are assembled by third- party subcontractors and a portion of our testing is currently performed by third- party subcontractors. Also, due to the amount of time typically required to qualify assembly and test subcontractors, we could experience delays in the shipment of our products if we were forced to find alternate third parties to assemble or test our products. In addition, events such as the ~~COVID- 19 pandemic, the~~ Russia- Ukraine **conflict, the Middle East** conflict and supply chain disruptions may materially impact our assembly suppliers' ability to operate. Any future product delivery delays or disruptions in our relationships with our subcontractors could have a material adverse effect on our financial condition, results of operations and cash flows. We purchase inventory in advance based on expected demand for our products, and if demand is not as expected, we may have insufficient or excess inventory, which could adversely impact our financial position. As a fabless semiconductor company, we purchase our inventory from third- party manufacturers ~~in advance of selling our products~~ . We place orders with our manufacturers based on existing and expected orders from our customers for particular products. While most of our contracts with our customers and distributors include lead time requirements and cancellation penalties that are designed to protect us from misalignment between customer orders and inventory levels, we must nonetheless make some predictions when we place orders with our manufacturers. Some of our customers and distributors may nevertheless cancel orders as a result of the impacts of the global economic downturn, their own specific business challenges or for other reasons. In the event that our predictions are inaccurate due to unexpected increases in orders or unavailability of products within the timeframe that is required, we may have insufficient inventory to meet our customers' demands. In addition, a ~~perceived~~ negative trend in market conditions could lead us to decrease the manufacturing volume of our products to avoid excess inventory. If we inaccurately assess market conditions for our products, we would have insufficient inventory to meet our customer demands resulting in lost potential revenue. In the event that we order products that we are unable to sell due to a decrease in orders, unexpected order cancellations, injunctions due to patent litigation, import / export restrictions or product returns, we may have excess inventory which, if not sold, may need to be written down or would result in a decrease in our revenue in future periods as the excess inventory at our distributors is sold. If any of these situations were to arise, it could have a material impact on our business, financial condition and results of operations. The price and availability of commodities (e. g., gold, copper and silicon) may adversely impact our ability to deliver our products in a timely and cost- effective manner, and may adversely affect our business and results of operations. Our products incorporate commodities such as gold, copper and silicon. An increase in the price or a decrease in the availability of these commodities and similar commodities that we use could negatively impact our business and results of operations. ~~19Risks~~ **20Risks** Associated with Industry Dynamics and Competition The highly cyclical nature of the semiconductor industry, which has resulted in significant and sometimes prolonged downturns, could materially and adversely affect our financial condition and results of operations. Historically, the semiconductor industry has been highly cyclical and, at various times, has experienced significant downturns and wide fluctuations in supply and demand. These conditions have caused significant variances in product demand and production capacity, as well as rapid erosion of average selling prices **, which have resulted, and could** ~~. The industry may again experience severe or prolonged downturns~~ in the future ~~, which could~~ result **,** in **lower demand for our products,** downward pressure on the price of our products **, and /** ~~as well as lower demand for~~ - **or increased inventory due to** our **customers' delayed** ~~products~~ **production schedule** . Because significant portions of our expenses are fixed in the short term or incurred in advance of anticipated sales, we may not be able to decrease our expenses in a timely manner to offset any sales shortfall. Any significant or prolonged downturns ~~could~~ **would** have a material adverse effect on our business, financial condition and results of operations. Industry consolidation may lead to increased competition and may harm our operating results. In recent years, there has been a trend toward semiconductor industry consolidation. We expect this trend to continue as companies attempt to improve the leverage of growing research and development costs, strengthen or hold their market positions in an evolving industry, or become unable to continue operations unless they find an acquirer or consolidate with another company. In addition, companies that are strategic alliance partners in some areas of our business may acquire or form alliances with our competitors, thereby reducing their business with us. We believe that semiconductor industry consolidation may result in stronger competitors that are better able to compete as sole- source ~~vendors~~ **suppliers** of multiple products for customers. This could lead to more variability in our operating results and could have a material adverse effect on our business, financial condition and results of operations. We compete against many companies with substantially greater financial and other resources, and our market share may be reduced if we are unable to respond to our competitors effectively. The analog and mixed- signal semiconductor industry is highly competitive, and we expect competitive pressures to continue. Our ability to compete effectively and to expand our business will depend on our ability to continue to recruit ~~applications~~ **application engineers** and design talent, ~~our ability to~~ introduce new products, and ~~our ability to~~ maintain the rate at which we introduce these new products. We compete with domestic and **foreign** ~~non- domestic~~ semiconductor companies, many of which have substantially greater financial and other resources with which to pursue engineering, manufacturing, marketing, and distribution of their products, and, in some cases, may have a broader number of product offerings that enable them to more effectively market and sell to customers and engage sales partners. We are in direct and active competition, with respect to one or more of our product lines, with many manufacturers of ~~such products, of~~ varying size and financial strength. The number of our competitors has grown due to the expansion of the market segments in which we participate. We cannot **guarantee** ~~assure~~

~~you~~ that our products will continue to compete favorably, or that we will be successful in the face of increasing competition from new products and enhancements introduced by existing competitors or new companies entering this market, which would materially and adversely affect our results of operations and our financial condition. In addition, from time to time, governments may provide subsidies or make other investments that could give competitive advantages to many semiconductor companies. For example, in August 2022, the U. S. enacted the ~~U. S. CHIPS and Science Act of 2022 (the "~~ CHIPS Act ~~")~~, which, among other things, provides funding to increase domestic production and research and development in the semiconductor industry. Because we operate a fabless business model, we ~~do~~ **were** not ~~believe we will be~~ eligible for such investments ~~from the U. S. government~~. Many of our competitors ~~will benefit~~ **benefitted** from the investments, which will help increase their production ~~capacity~~ **capacities**, shorten their lead ~~time~~ **times** and gain market share. These competitive pressures could materially and adversely affect our business, financial condition and results of operations. We may face competition from customers developing products internally. Our customers generally have substantial technological capabilities and financial resources. Some customers have traditionally used these resources to develop their own products internally. The future prospects for our products in these markets are dependent in part upon our customers' acceptance of our products as an alternative to their internally developed products. Future sales prospects also are dependent upon acceptance of third- party sourcing for products as an alternative to in- house development. Customers may continue to increase their use of internally developed components. They may also decide to develop or acquire components, technologies or products that are similar to, or that may be substituted for, our products. If ~~our customers fail to accept our products as an~~ **any of** ~~alternative, if they develop or acquire the~~ **these** ~~technology~~ **situations were** to ~~develop such components internally rather than purchase our~~ **occur** ~~products, or if we are otherwise unable to develop or maintain strong relationships with them~~, our business, financial condition and results of operations could be materially and adversely affected. Risks Associated with ~~Information Technology ("~~ IT ~~")~~ and Cybersecurity Implementation of enhanced enterprise resource planning (" ERP ") or other IT systems could result in significant disruptions to our operations. From time to time, we may implement new ERP software solutions or upgrade existing systems. Implementation of these solutions and systems is highly dependent on coordination of system providers and internal business teams. We may experience difficulties as we transition to these new or upgraded systems and processes, including system downtime causing interruptions in business operations. In addition, transitioning to these new systems **may** ~~requires~~ - **require** significant capital investments and personnel resources. Difficulties in implementing new or upgraded information systems or any significant system failures could disrupt our operations and financial reporting, which could have a material adverse effect on our capital resources, financial condition or results of operations. **21Certain software we use is from open- source code sources, which, under certain circumstances, may lead to unintended consequences and, therefore, could materially adversely affect our business, financial condition, operating results and cash flow. We use open- source software in connection with certain of our products and services, and we intend to continue to use open- source software in the future. From time to time, there have been claims challenging the ownership of open- source software against companies that incorporate open- source software into their products or services or alleging that these companies have violated the terms of an open- source license. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open- source software or alleging that we have violated the terms of an open- source license. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our solutions. In addition, if we were to combine our proprietary software solutions with open- source software in certain circumstances, we could, under certain open- source licenses, be required to publicly release the source code of our proprietary software solutions, which could harm our business and ability to compete. If we inappropriately use open- source software, we may be required to re- engineer our solutions, discontinue the sale of our solutions, release the source code of our proprietary software to the public at no cost or take other remedial actions, which could increase our costs, harm our ability to compete and have a material adverse effect on our business, operating results and financial condition. There is also a risk that open- source licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions, which could adversely affect our business, operating results and financial condition.** ~~20System~~ -- **System** security risks, data protection or privacy breaches, cyberattacks ~~and~~ **,** systems integration issues **and unauthorized use of AI tools** could disrupt our internal operations and / or harm our reputation, and any such disruption or harm could cause a reduction in our expected revenue, increase our expenses, negatively impact our results of operation or otherwise adversely affect our stock price. Experienced hackers may be able to penetrate our network security and misappropriate or compromise our confidential and proprietary information, create system disruptions or cause shutdowns **. As AI capabilities improve, threat actors may quickly develop more sophisticated and convincing attacks. These attacks could be crafted with an AI tool to directly attack information systems with increased speed and efficiency or create more effective phishing emails**. The costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions and delays that may impede our sales, manufacturing, distribution, financial reporting or other critical functions. In the ordinary course of business, we store sensitive data on our internal systems, network and servers, such as proprietary business and financial information, and confidential data pertaining to our customers, suppliers and business partners. Maintaining security of sensitive information on our networks and the protection features of our solutions are both critical to our operations and business strategy. We devote significant resources to network security, data encryption, and other security measures to protect our systems and data. However, these security measures cannot provide absolute security. Although we make significant efforts to maintain the security and integrity of our systems and solutions, any destructive or intrusive breach could compromise our networks, creating system disruptions or slowdowns, and the information stored on our networks could be accessed, publicly disclosed, lost or stolen. Remote working arrangements ~~and~~ **,** the Russia- Ukraine conflict **, the Middle East conflict, and AI- powered** cybersecurity threats have also heightened our potential exposure to cyberattacks, which could put the sensitive data ~~proprietary and financial information~~ we store on our internal systems at risk. If any of these types of security breaches were to occur and we were unable to protect sensitive data, our reputation and relationships with our business partners and customers could be materially harmed, and we could be exposed to risks of litigation and possible significant liability. Portions of our IT infrastructure may also experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and our remediation efforts may be expensive, time consuming, disruptive and resource- intensive. Such disruptions could adversely impact our ability to fulfill orders in a timely manner and interrupt other processes. Delayed sales or a loss of customers resulting from these disruptions could adversely affect our financial results ~~, stock price~~ and reputation. Unauthorized use or disclosure of, or access to, any personal information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers ~~or vendors~~ by an unauthorized party, or through employee error, theft or misuse, or otherwise, could harm our business. If any such unauthorized use or disclosure of, or access to, such personal information was to occur, our operations could be seriously disrupted, and we could be subject to demands, claims and litigation by private parties, and investigations ~~, related actions,~~ and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected ~~persons~~ individuals and entities and otherwise complying with the multitude of foreign, federal, state and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Finally, any perceived or actual unauthorized access to, or use or disclosure of, such information could harm our reputation and substantially impair our ability to attract and retain customers, which could have an adverse impact on our business, financial condition and results of operations **. Our ability to manage and aggregate data may be limited by the effectiveness of our policies, programs, processes, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit our ability to manage current and emerging risks, as well as to manage changing business needs. While we restrict the use of third- party and open- source AI tools, such as ChatGPT, our employees and consultants may use these tools on an unauthorized basis and our partners may use these tools, which poses additional risks relating to the protection of data, including the potential exposure of our proprietary confidential information to unauthorized recipients and the misuse of our or third- party intellectual property. Use of AI tools may result in allegations or claims against us related to violation of third- party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open- source software requirements. AI tools may also produce inaccurate responses that could lead to errors in our decision- making, product development or other business activities, which could have a negative impact on our business, operating results and financial condition. Our ability to mitigate these risks will depend on our continued effective maintaining, training, monitoring and enforcement of appropriate policies and procedures governing the use of AI tools, and the results of any such use, by us or our partners** . We are subject to various U. S. and international laws, policies and other regulations regarding data protection. Privacy, cyber security, and data protection are becoming increasingly significant issues ~~in China and other countries~~ . To address these issues, the Standing Committee of the National People' s Congress promulgated the Cyber Security Law of the People' s Republic of China (the " Cyber Security Law "), which took effect on June 1, 2017. The Cyber Security Law sets forth various requirements relating to the collection, use, storage, disclosure and security of data, among other things. On June 10, 2021, the National People' s Congress passed the Data Security Law of the People' s Republic of China (the " Data Security Law "), which became effective on September 1, 2021. The Data Security Law is the first comprehensive data security legislation in China, which becomes a key supplement to the Cyber Security Law and aims to regulate a wide range of issues in relation to the collection, storage, processing, use, provision, transaction and publication of any kind of data. Various Chinese agencies are expected to issue additional regulations in the future to define these requirements more precisely. For example, the Personal Information Protection Law (" PIPL "), took effect on November 1, 2021. PIPL is aimed at protecting and controlling the use and transfer of personal data in China. ~~Given its recent passage, there~~ **There** is significant uncertainty in how regulators will interpret and enforce the law, ~~but~~ **and** it contains provisions that allow substantial government oversight and include fines for failure to obtain required approval from China' s cyber and data protection regulators for cross- border transfers of personal data. ~~21Effective~~ **22Effective** May 25, 2018, the European Union (" EU ") implemented the General Data Protection Regulation (" GDPR "), a broad data protection framework that expands the scope of ~~current~~ EU data protection law to non- European Union entities that process, or control the processing of, the personal data of EU subjects. The GDPR allows for the imposition of fines and corrective action on entities that improperly use, disclose or secure the personal data of EU subjects, including through a data security breach. In addition, an increasing number of states in the U. S. have enacted laws containing similar requirements to **the** GDPR for businesses collecting or processing personal data. For example, the State of California enacted the California Consumer Privacy Act of 2018 (" CCPA "), which was significantly amended by the California Privacy Rights Act, and sets forth comprehensive privacy and security obligations regarding the collection and processing of personal data of eligible California residents **. Other states have, or are expected to, enact similar or more expansive legislation regarding the collection and processing of personal data** . These regulatory requirements may increase our costs of compliance. Any failure to fully comply with the Cyber Security Law, the Data Security Law, PIPL, GDPR, CCPA, and other applicable laws and regulations could lead to significant fines and regulatory corrective actions, along with reputational damage or third- party lawsuits, which could adversely affect our business and results of operations. In addition, data security breaches experienced by us could result in the loss of trade secrets or other intellectual property, public disclosure of sensitive commercial data, and the exposure of personal data (including sensitive personal data) of our employees, customers, suppliers and others. Such incidents could subject us to significant monetary damages, regulatory enforcement actions and / or criminal prosecution, and cause us to lose ~~clients~~ **customers** and their related revenue in the future. Risks

Associated with Strategic Investments and Initiatives Our success depends on our investment of significant resources in research and development. We may have to invest more resources in research and development than anticipated, which could increase our operating expenses and negatively impact our operating results. Our success depends on us investing significant amounts of resources ~~into~~ **in** research and development. We expect to continue investing heavily in research and development in the future in order to **keep** ~~continue to innovate~~ **innovating** and ~~introduce~~ **introducing** new products in a timely manner and increase our revenue and profitability. Increased investments in research and development will increase our operating expenses, which may negatively impact our operating results, and we may not achieve the return on these investments that we anticipate, or be able to reduce such expenses in a timely manner if we experience a downturn in sales. Also, if we are unable to properly manage and effectively utilize our research and development resources, we could see material adverse effects on our business, financial condition and operating results. In addition, if new competitors, technological advances by existing competitors, our entry into new markets, or other competitive factors require us to invest significantly greater resources than anticipated in our research and development efforts, our operating expenses would increase further. If we are required to invest significantly greater resources than anticipated in research and development efforts without a corresponding increase in revenue, our operating results could ~~decline~~ **be harmed. Many of our competitors have significantly greater resources than we have and are able to invest substantially greater amounts into research and development initiatives than we are, which could harm our ability to innovate and compete**. Research and development expenses are likely to fluctuate from time to time to the extent we make periodic incremental investments in research and development and these investments may be independent of our level of revenue, which could negatively impact our financial results. In order to remain competitive, we anticipate that we will continue to devote substantial resources to research and development, and we expect these expenses to increase in ~~absolute dollars in~~ the foreseeable future due to the increased complexity and the greater number of products under development. We may not realize the anticipated benefits of any company or business that we acquire. In addition, acquisitions could result in diluting the ownership interests of our stockholders, reduce our cash balances ~~,~~ and **/ or** cause us to incur debt or to assume contingent liabilities, which could adversely affect our business. As part of our business strategy, from time to time we review acquisition prospects that would complement our current product offerings, enhance our design capability or offer other competitive opportunities. As a result of completing acquisitions, we could use a significant portion of our available cash, cash equivalents and short- term investments, issue equity securities that would dilute current stockholders' percentage ownership, or incur substantial debt or contingent liabilities. Such actions could impact our **financial condition,** operating results and the price of our common stock. In addition, we may be unable to identify or complete prospective acquisitions for various reasons, including competition from other companies in the semiconductor industry, the valuation expectations of acquisition candidates and applicable antitrust or other policies, laws or regulations. If we are unable to identify and complete acquisitions, we may not be able to successfully expand our business and product offerings. **In January 2024, we completed the acquisition of Axign B. V. (" Axign "), a fabless semiconductor company located in the Netherlands that specializes in the development of consumer audio applications.** We cannot guarantee that **this or** any future acquisitions will improve our results of operations or that we will otherwise realize the anticipated benefits of any acquisitions. In addition, if we are unsuccessful in integrating **Axign, or** any acquired company or business into our operations **,** or if integration is more difficult than anticipated, we may experience disruptions that could harm our business and result in our failure to realize the anticipated benefits of the acquisitions. Some of the risks that may adversely affect our ability to integrate or realize any anticipated benefits from the acquired companies, businesses or assets include those associated with: • unexpected losses of key employees or customers of the acquired companies or businesses; • integrating the acquired company' s standards, processes, procedures and controls with our operations; • coordinating new product and process development; ~~22~~ **23** • hiring additional management and other critical personnel; • increasing the scope, geographic diversity and complexity of our operations; • difficulties in consolidating facilities and transferring processes and know- how; • difficulties in the assimilation of acquired operations, technologies or products; • ~~the risk of~~ undisclosed liabilities of the acquired businesses and potential legal disputes with founders or stockholders of acquired companies; • our inability to commercialize acquired technologies; • the **projected** ~~risk that the future~~ business potential ~~as projected~~ is not realized and as a result, we may be required to take an impairment charge related to goodwill or acquired intangibles that would impact our profitability; • difficulties in assessing the fair value of earn- out arrangements; • diversion of management' s attention from other business concerns; and • adverse effects on existing business relationships with customers. Alternatively, third parties may be interested in acquiring us. We will continue to consider, evaluate and negotiate any such transactions as our ~~board~~ **Board** of ~~directors~~ **Directors** deems appropriate and in the best interest of our stockholders. Such potential transactions may divert the attention of management, and cause us to incur various costs and expenses in investigating, evaluating and negotiating such transactions, whether or not they are consummated. Risks Associated with Financial Reporting The complexity of calculating our tax provision may result in errors that could result in restatements of our financial statements. Due to the complexity associated with the calculation of our tax provision, including the effects of the enactment of new tax laws, we engage third- party tax advisors to assist us in the calculation. If we or our tax advisors fail to resolve or fully understand certain issues that we may have had in the past and issues that may arise in the future, we could be subject to errors, which, if material, would result in **a** ~~us having to restate~~ **restatement of** our financial statements. Restatements are generally costly and could adversely impact our results of operations, damage our reputation, and / or have a negative impact on the trading price of our common stock. Changes in effective tax rates or adverse outcomes resulting from examination of our income tax returns could adversely affect our results of operations. Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates, by changes in the valuation of our deferred tax assets, or by changes in tax laws, regulations, accounting principles or interpretations thereof and discrete items. In addition, we are subject to potential future examinations of our income tax returns by the Internal Revenue Service (the " IRS ") and tax authorities in various jurisdictions where we have business operations. We assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from any examinations will not have an adverse effect on our financial condition and results of operations. Our international operations subject us to potentially significant tax consequences, which could adversely affect our results of operations. We conduct our international operations through wholly- owned subsidiaries, branches and representative offices and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Such corporate structures are subject to complex transfer pricing, permanent establishment challenges and other local regulations administered by taxing authorities in various jurisdictions. **Our provision for income taxes and cash tax liabilities in the future could be adversely affected by numerous factors, including changes in the geographic mix of our earnings and corporate tax rates among jurisdictions, challenges by tax authorities to our tax positions and intercompany transfer pricing arrangements, failure to meet performance obligations with respect to tax incentive agreements, expanding our operations in various countries, fluctuations in foreign currency exchange rates, adverse resolution of audits and examinations of previously filed tax returns, and changes in tax laws and regulations.** The relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our positions were not sustained, we could be required to pay additional taxes, interest and penalties, resulting in higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Additionally, our future worldwide tax ~~rate~~ **rates** ~~and~~ **,** financial position **and operating results** may be affected by changes in the relevant tax laws, interpretation of such tax laws or the influence of certain tax policy efforts, including in the EU and the Organization for Economic Cooperation and Development. ~~23We~~ **24We** face risks in connection with our internal control over financial reporting **and a material weakness was identified** . **As more fully disclosed in Item 9A. Controls and Procedures of this Annual Report, late in the audit process, a material weakness was identified that existed as of December 31, 2023, regarding** ~~Effective~~ **ineffective design of the controls related to management' s review and documentation of our inventory demand information and other assumptions used to determine the inventory carrying value adjustments necessary to record such quantities at the lower of their cost or net realizable value. Due to this finding of a material weakness, we concluded that our** internal control over financial reporting **was not effective as of December 31, 2023. While we do not believe that this material weakness has impacted the accuracy or reporting of our consolidated financial results, until this material weakness** is ~~necessary~~ **remediated,** ~~for~~ - **or should new material weaknesses arise** ~~us to provide reliable and accurate financial reports. If we cannot provide reliable financial reports or prevent fraud or other financial misconduct, our~~ - **or** ~~business and operating results could~~ be **discovered** ~~harmed. Our failure to implement and maintain effective internal control over financial reporting could result~~ in **the future, there is a reasonable possibility that** a material misstatement of our **interim or annual** financial statements **will not be prevented** ~~or otherwise cause us to fail to meet our~~ - **or** ~~financial~~ **detected on a timely basis. In addition, we may experience delays in satisfying our** reporting obligations ~~. This~~ **to comply with SEC rules and regulations** , **which** ~~in turn,~~ could result in **investigations** ~~a loss of investor confidence in the accuracy and completeness of our financial reports, which could have an~~ **and** ~~adverse effect on our~~ **sanctions by regulatory authorities. Any of these** results **could adversely affect** ~~of operations and / or~~ **our business** ~~have a negative impact on our reputation~~ and the **value** ~~trading price~~ of our common stock ~~, and could subject us to stockholder litigation. In addition, we cannot assure you that we will not in the future identify material weaknesses in our internal control over financial reporting, which may impact the reliability of our financial reporting and financial statements~~ . Risks Associated with Regulatory Compliance, Intellectual Property Protection and Litigation We are subject to anti- corruption laws in the jurisdictions in which we operate, including the U. S. Foreign Corrupt Practices Act (the " FCPA ") and the U. K. Bribery Act. Our failure to comply with these laws could result in penalties which could harm our reputation and have a material adverse effect on our business, financial condition and results of operations. We are subject to the FCPA, the U. K. Bribery Act and various anti- corruption laws of other jurisdictions, which generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business and / or other benefits. Although we have implemented policies and procedures designed to ensure that we, our employees and other intermediaries comply with the FCPA, the U. K. Bribery Act and other anti- corruption laws to which we are subject, there is no assurance that such policies or procedures will work effectively all ~~of~~ the time or protect us against liability under these laws for actions taken by our employees and other intermediaries with respect to our business or any businesses that we may acquire. We have significant operations in Asia, which place us in frequent contact with ~~persons~~ **individuals** who may be considered " foreign officials " under the FCPA or other anti- corruption laws, resulting in an elevated risk of potential violations. If we are not in compliance with the FCPA and other laws governing the conduct of business with government entities (including local laws), we may be subject to criminal and civil penalties and other remedial measures, including restatements of our financial reports, which could have a material adverse impact on our business, financial condition, results of operations and liquidity. Any investigation or allegations of any potential violations of the FCPA or other anti- corruption laws by the U. S. or foreign authorities could harm our reputation and have an adverse impact on our business, financial condition and results of operations. Our business is subject to various governmental laws and regulations, and compliance with these regulations may impact our revenue and cause us to incur significant expense. If we fail to maintain compliance with applicable regulations or obtain government licenses and approvals for our desired international trading activities or technology transfers, we may be forced to recall products and cease their distribution, and we could be subject to civil or criminal penalties. Our business is subject to various significant laws and other legal requirements imposed by the U. S. and other countries we conduct business in, including export control laws such as the Export Administration Act, the Export Administration Regulations and other laws, regulations and requirements governing international trade and technology transfer. These laws and regulations are complex, change frequently and have generally become more stringent over time. We may be required to incur significant expense to comply with these regulations or to remedy violations of these regulations. In addition, if our customers fail to comply with these regulations, we may be required to suspend sales to these customers, which could negatively impact our results of operations. We must conform the manufacture and distribution of our products to various laws and adapt to regulatory requirements in many countries as these requirements change. If we fail to comply with these requirements in the manufacture or distribution of our products, we could be required to pay civil penalties, face criminal prosecution and, in some cases, be prohibited from distributing our products commercially until the products are brought into compliance. Environmental laws and regulations could cause a disruption in our business and operations. We are subject to various foreign, federal, state and local laws and regulations that govern the environment, including those restricting the presence of certain substances in electronic products and making manufacturers of those products financially responsible for the collection, treatment, recycling and disposal of certain products. Such laws and regulations have been passed in several jurisdictions in which we operate, including various EU member countries and countries in Asia. There can be no assurance that similar laws and regulations will not be implemented in other jurisdictions resulting in additional costs, possible delays in delivering products, and even the discontinuance of existing and planned future products if the costs were to become prohibitive. We are subject to increasing regulatory and reporting standards related to ESG matters, which could increase our expenses. ~~Recently~~ **In recent years** , there has been an increase in public awareness **and requirements** from regulators, investors **, customers** and other key stakeholders focusing on ESG compliance efforts, including those related to environmental sustainability and social responsibility. For example, the SEC has proposed ~~a~~ new ~~rule~~ **rules** that ~~would~~ require public companies to provide detailed ~~reporting~~ **disclosures** of their climate- related risks, **greenhouse gas** emissions **data** , and net- zero transition plans, and **in October 2023, California passed two bills that will require companies to disclose greenhouse gas emissions data and climate- related financial risks. In addition,** many of our customers ~~routinely~~ **increasingly** include stringent environmental and other non- standard compliance requirements in their contracts with us **or request significant amount of data from us for their Scope 3 emissions reporting** . While we are ~~fully~~ committed to ~~making our business sustainable and keeping our stakeholders engaged by~~ maintaining strong ESG strategies, practices ~~, processes~~ , policies and disclosures, there can be no assurance that we will be able to achieve our goals, or that our compliance initiatives will be deemed sufficiently robust by regulators **, stockholders, customers** and other key stakeholders **. The achievement of our goals and initiatives may be impacted by factors that are outside our control. Some of our stakeholders may disagree with our goals and initiatives, and the focus and views of our stakeholders may change and evolve over time and vary depending on the jurisdictions in which we operate. Any failure, or perceived failure, by us to achieve our goals, implement new initiatives, comply with federal, state or international laws and regulations, or meet evolving and varied stakeholder expectations and views, could result in litigation, regulatory action or other legal claims, penalties, injunction or other remedies against us, damage our reputation and materially and adversely affect our business, financial condition and results of operations** . Furthermore, our compliance efforts, including the collection, assessment and reporting of ESG data, are subject to evolving reporting standards and can be costly, complex and time- consuming. In addition, climate change concerns and the potential associated environmental impact could result in the proposal and passage of additional laws and regulations in various jurisdictions that may affect us, our suppliers and customers. Such laws and regulations could cause us to incur additional compliance costs, and failure to comply with the regulatory standards in a timely manner could result in penalties and fines. These operational, legal, compliance and other risks could damage our reputation and materially and adversely affect our business, financial condition and results of operations. ~~25Given~~ -- **Given** our inability to control the timing and nature of significant events in our legal proceedings that either have arisen or may arise,our legal expenses are difficult to forecast and may vary substantially from our publicly disclosed forecasts with respect to any given quarter,which could contribute to increased volatility in our stock price and financial condition.Historically,we have incurred significant expenses in connection with various legal proceedings that vary with the level of activity in the proceeding.It is difficult for us to forecast our legal expenses for any given quarter,which adversely affects our ability to forecast our expected results of operations in general.We may also be subject to unanticipated legal proceedings,which would result in us incurring unexpected legal expenses.If we fail to meet the expectations of securities or industry analysts as a result of unexpected changes in our legal expenses,our stock price could be materially and adversely affected.Future legal proceedings may divert our financial and management resources.The semiconductor industry is characterized by frequent claims of infringement and litigation regarding patent and other intellectual property rights.Patent infringement is an ongoing risk,in part because other companies in our industry could have patent rights that may not be identifiable when we initiate development efforts.Litigation may be necessary to enforce our intellectual property rights,and we may have to defend ourselves,and in some circumstances our key customers or suppliers,against additional infringement claims.Such litigation is very costly.Further,in connection with these legal proceedings,we may be required to post bonds to defend our intellectual property rights in certain countries for an indefinite period of time,until such dispute is resolved.If our legal expenses materially increase or exceed anticipated amounts,our capital resources and financial condition could be adversely affected.If we are not successful in any of our intellectual property defenses,we may have to cease production of certain products,design around such technologies,or pay royalty payments,any of which could harm our financial condition and our business.Our management team may also be required to devote a great deal of time and effort to these legal proceedings,which could divert management' s attention from focusing on our operations,which could adversely affect our business.Failure to protect our proprietary technologies or maintain the right to certain technologies may negatively affect our ability to compete.We rely heavily on our proprietary technologies.Our future success and competitive position depend in part upon our ability to obtain and maintain protection of certain proprietary technologies used in our products.We pursue patents for some of our new products and unique technologies,and we also rely on a combination of nondisclosure agreements and other contractual provisions,as well as our employees' commitment to confidentiality and loyalty,to protect our technology,know- how and processes.Despite the precautions we take,it may be possible for unauthorized third parties to copy aspects of our current or future technologies or products,or to obtain and use information that we regard as proprietary.We intend to continue to protect our proprietary technologies,including through patents.However,there can be no assurance that the steps we take will be adequate to protect our proprietary rights,that our patent applications will lead to issued patents,that others will not develop or patent similar or superior products or technologies,or that our patents will not be challenged,invalidated or circumvented by others.Furthermore,the laws of the countries in which our products are or may be developed,manufactured or sold may not protect our products and intellectual property rights to the same extent as laws in the **United States** ~~U.S~~ .Our failure to adequately protect our proprietary technologies could materially harm our business **.** If we are unsuccessful in legal proceedings brought against us or any of our customers, we could be prevented from selling many of our products and / or be required to pay substantial damages. An unfavorable outcome or an additional award of damages, attorneys' fees or an injunction could cause our revenue to decline significantly and could severely harm our business and operating results. ~~24From~~ -- **From** time to time, we are a party to various legal proceedings. If we are not successful in litigation that could be brought against us or our customers, we could be ordered to pay monetary fines and / or damages **, including expenses and damages against our customers** . If we are found liable for willful patent infringement, damages could be significant. We and / or our customers could also be prevented from selling some or all of our products. Moreover, our customers and end users could decide not to use our products, and our products and our customers' accounts payable to us could be seized. Finally, interim developments in these proceedings could increase the volatility in our stock price as the market assesses the impact of such developments on the likelihood that we will or will not ultimately prevail in these proceedings. Even if resolved favorably, such proceedings can be very expensive and time consuming, and may divert management' s attention from other business operations. Given our inability to control the timing...... technologies could materially harm our business. Risks Associated with Human Capital Management The loss of any of our key personnel or the failure to attract or retain specialized technical and management personnel could affect our operations or impair our ability to grow our business. Our future success depends upon our ability to attract and retain highly qualified technical and managerial personnel. We are particularly dependent on the continued services of our key executives, including Michael Hsing, our President and Chief Executive Officer, who founded our company and developed our proprietary process technology. In addition, personnel with highly skilled analog and mixed- signal design engineering expertise are scarce and competition for personnel with these skills is intense. There can be no assurance that we will be able to retain existing key employees or that we will be successful in attracting, integrating or retaining other highly qualified personnel with critical capabilities in the future. If we are unable to retain the services of existing key employees or are unsuccessful in attracting new highly qualified employees quickly enough to meet the demands of our business, including design cycles, our business could be harmed. Furthermore, if we lose key personnel, the search for a qualified replacement and the transition could interrupt our operations as the search could take us longer than expected and divert management resources, and the newly hired employee could take longer than expected to effectively integrate into the team. If we fail to retain key employees in our sales, ~~applications~~ **engineering** , finance and legal functions or to make continued improvements to our internal systems, our business may suffer. If we fail to continue to adequately staff our sales, ~~applications~~ **engineering** , financial and legal positions, maintain or upgrade our business systems and maintain internal ~~control~~ **controls** that meet the demands of our business, ~~our ability~~ **we may not be able** to ~~operate~~ effectively ~~will suffer~~ **execute our business strategy** . The operation of our business also depends upon our ability to retain these employees, as **they** ~~these employees~~ hold a significant amount of institutional knowledge about us and our products and, if they were to terminate their employment, our sales, operations and internal control over financial reporting could be adversely affected. ~~25Risks~~ **26Risks** Associated with Ownership of Our Stock The future trading price of our common stock could be subject to wide fluctuations in response to a variety of factors. The ~~future~~ trading price of our common stock **has been, and** is likely to **continue to** be **,** highly volatile and could be subject to wide fluctuations in response to various factors, many of which are beyond our control, including: • actual or anticipated results of operations and financial performance, including our ability to accurately forecast future demand for our products; • actual or anticipated manufacturing capacity limitations; • our ability to develop new products, enter new market segments, gain market share, manage litigation risk, diversify our customer base and successfully secure manufacturing capacity; • our ability to maintain or increase our gross margins; • costs of increasing wafer capacity and qualifying additional third- party wafer fabrication facilities; • our loss of key customers; • investments in sales and marketing resources to enter new markets; • commencement of or developments relating to litigation; • cyberattacks or other system security, data protection and privacy breaches; • the inclusion, exclusion or deletion of our common stock from any major trading indices, such as the S & P 500 Index; • our sale of common stock or other securities in the future; • any mergers, acquisitions or divestitures of assets undertaken by us; • our ability to obtain governmental licenses and approvals for international trading activities or technology transfers, including export licenses; • our ability to meet or exceed the guidance that we provide to our investors and analysts; • our ability to **continue the stock repurchase program and** pay quarterly cash dividends to stockholders; • our ability to meet or exceed our, our investors' or analysts' expectations; • market reactions to guidance from other semiconductor companies or third- party research groups; • market reactions to merger and acquisition activities in the semiconductor industry, and rumors or expectations of further consolidation in the industry; • investor perceptions of us and our business strategies; • the breadth and liquidity of the market for our common stock; ~~26~~ **27** • trading activity in our common stock, including short positions; • actions by institutional or other large stockholders; • changes in the estimation of the future size and growth rate of our markets; • introduction of new products by us or our competitors; • general economic, industry and market conditions worldwide, including ~~the~~ **any** global economic downturn; • developments generally affecting the semiconductor industry; • terrorist acts or acts of war, including the ongoing ~~conflict between~~ Ukraine ~~and~~ **-** Russia **and Middle East conflicts** ; • epidemics and pandemics ~~, such as developments and restrictions with respect to the COVID- 19 pandemic~~ ; • developments with respect to intellectual property rights; • conditions and trends in technology industries; • changes in market valuation or earnings of our competitors; • government debt default; • changes in corporate tax laws; • government policies and regulations on international trade policies and restrictions, including tariffs on imports of foreign goods; • export controls, trade and economic sanctions and regulations, and other regulatory or contractual limitations on our ability to sell or develop our products in certain foreign markets, particularly in China; • ratings published by third- party organizations with respect to our ESG compliance efforts; • our compliance with regulatory mandates focusing on ESG issues **, including climate risks and social initiatives** ; and • our performance against the ESG guidelines set by institutional stockholders and customers, and our ability to meet or exceed their expectations. In addition, the stock market often experiences substantial volatility that may be unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. If securities or industry analysts downgrade our stock or do not continue to publish research or reports about our business, our stock price and trading volume could decline. The trading market for our common stock will depend, in part, on the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. If we fail to meet the expectations of these analysts, or one or more of the analysts who cover us downgrade our stock, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Short positions in our stock could have a substantial impact on the trading price of our stock. Historically, there have been " short " positions in our common stock. The anticipated downward pressure on our stock price due to actual or anticipated sales of our stock by some institutions or individuals who engage in short sales of our common stock could cause our stock price to decline. Such stock price decreases could encourage further short- sales that could place additional downward pressure on our stock price. This could lead to further increases in the existing short position in our common stock and cause decreases and volatility in our stock price. The volatility of our stock may cause the value of a stockholder' s investment to decline rapidly. Additionally, if our stock price declines, it may be more difficult for us to raise capital and may have other adverse effects on our business. ~~There~~ **28There** can be no assurance that we will continue to declare cash dividends ~~at all or~~ in any particular amounts **or at all** . We have a dividend program approved by our Board of Directors, pursuant to which we intend to pay quarterly cash dividends on our common stock. The declaration of any future cash dividends is at the discretion of our Board of Directors and will depend on, among other things, our financial condition, results of operations, capital requirements, business conditions, and other factors that our Board of Directors may deem relevant, as well as a determination that cash dividends are in the best interests of our stockholders. Our dividend payments may change from time to time, and we cannot provide assurance that we will continue to declare dividends ~~at all or~~ in any particular amounts **or at all** . A reduction in or elimination of our dividend payments could have a negative effect on the price of our common stock and on the return achieved by our stockholders **. We cannot guarantee that our stock repurchase program will enhance long- term stockholder value. In October 2023, our Board of Directors approved a stock repurchase program authorizing the repurchase of up to $ 640 million in the aggregate of our common stock. The repurchase program will expire on October 29, 2026. The amount, timing and execution of our stock repurchase program may fluctuate based on market conditions and our priorities for the use of our cash. We are not obligated to repurchase a specified number or dollar value of shares, on any particular timetable, or at all. The repurchase program may be suspended or terminated at any time and, even if fully implemented, may not enhance long- term stockholder value** . If we issue additional shares of stock in the future, it may have a dilutive effect on our stockholders. We may issue additional shares of common stock in the future in order to raise additional capital to fund our global operations or in connection with an acquisition. ~~We also issue restricted stock units (" RSUs ") to employees, which convert into shares of common stock upon vesting.~~ Any issuance of our common stock may result in immediate dilution to our stockholders. In addition, the issuance of a significant amount of our common stock may require additional regulatory compliance, such as stockholder approval. ~~27General~~ -- **General** Risk Factors ~~The effects of global pandemics such as COVID- 19 are highly unpredictable and could adversely affect our business, results of operations and financial condition. We face various risks related to epidemics and pandemics, including the global outbreak of COVID- 19 first identified in December 2019. Since the World Health Organization declared the COVID- 19 outbreak as a pandemic in March 2020, it has resulted in significant disruptions and uncertainties in the global economy and in the financial markets. While the COVID- 19 pandemic did not have a material and adverse impact on our business operations and financial condition, the ongoing effect of the pandemic on our future operational and financial performance will depend on numerous evolving developments, including the duration and magnitude of the pandemic and the introduction of new variants, and the impact on our customers, employees, suppliers and other partners, all of which are uncertain and difficult to predict at this time. Furthermore, due to the complexity and variability of COVID- 19 policies and regulations imposed by different countries where we operate, we are subject to significant compliance efforts which could require additional resources and result in increased costs, or we may fail to be in compliance on a timely manner. A prolonged outbreak could negatively affect our business, including: • unpredictability in demand, pricing and costs for our products, and losses of significant contracts or key customers as a result of a global economic downturn caused by the pandemic; • our ability to accurately forecast our results of operation, including products sales and market demand for our products; • reductions or delays in production levels, qualification activities with our customers, and valuation of our inventory due to changes in forecasted demand and our outlook on market conditions; • disruptions to our distribution channels and supply chain in connection with the sourcing of materials from geographic areas that have been impacted by the pandemic; • increased costs resulting from work- from- home and other measures we have enacted at certain of our locations around the world, and increased cyber security risks due to these remote working arrangements; and • losses on our investments due to defaults on payments by the issuers, write- offs of our accounts receivable due to defaults and insolvency, or significant delays in payments by our customers. We have worked, and will continue to work, with our stakeholders, including customers, suppliers and employees, to address the continuing impact of this global pandemic. We will continue to monitor the situation to assess further possible implications to our business, supply chain and customers, and to take actions in an effort to mitigate adverse consequences. The resumption of normal business operations may be delayed or constrained by lingering effects of the pandemic, including limitations imposed by governmental authorities on our ability to return to normal operating practices. These effects, alone or taken together, could have a material adverse impact on our~~

~~business, results of operations or financial condition.~~ Our worldwide operations are subject to economic and geopolitical uncertainty, health risks, climate crises and other natural disasters, which could have a material adverse effect on our business operations. Our offices in California and Washington, the production facilities of our third- party wafer suppliers, our IC testing and manufacturing facilities, a portion of our assembly and research and development activities, and certain other critical business operations are located in or near seismically active regions and are subject to periodic earthquakes. We do not maintain earthquake insurance and could be materially and adversely affected in the event of a major earthquake. Much of our revenue, as well as our ~~manufacturers~~ **manufacturing** and ~~assemblers~~ **assembly partners** , are concentrated in Asia, particularly in China. Such concentration increases the risk that earthquakes or other natural disasters, labor strikes, epidemics and pandemics, and / or health advisories could disrupt our operations and have a material adverse impact on our business and results of operations. For example, in 2022, China experienced a severe heatwave during the summer months in the Sichuan province, which resulted in widespread power shortages, rolling backouts and temporary business shutdowns imposed by the local governments. Although we were able to successfully execute our contingency plan and our operations were not materially and adversely disrupted by the events, we cannot guarantee that we will be able to mitigate the operational risks caused by extreme weather conditions or other events in the future. In addition, we rely heavily on our internal information and communications systems and on systems or support services from third parties to manage our operations efficiently and effectively. Any of these are subject to failure due to a natural disaster or other disruptions. System- wide or local failures that affect our information processing could have material adverse effects on our business, financial condition and results of operations. Furthermore, worldwide political conditions may create uncertainties that could adversely affect our business. The U. S. and other regions where we conduct business ~~in~~ have been and may continue to be affected by conflicts that could, among other things, disrupt our supply chain, and impact customer demands and component prices. For example, the U. S. and other countries have ~~recently~~ imposed economic sanctions and export control measures on Russia due to the conflict in Ukraine. Although such measures have not significantly affected our business or operations, future developments could adversely affect our operating results and financial condition. ~~28Item~~ **29Item** 1B. Unresolved Staff Comments None. Item **1C. Cybersecurity Cybersecurity Risk Management and Strategy We recognize the imperative to diligently manage cybersecurity risks as defined in Item 106 (a) of Regulation S-K. Such risks include operational risks of ransomware, phishing, fraud, extortion, harm to employees or customers and violation of data privacy or security laws. We address cybersecurity risks in our business, technical operations, privacy and compliance issues through a diversified approach including threat- monitoring and assessments by third- parties, adopting IT security ISO standards / governance, proactive risk and compliance reviews. In order to defend against cybersecurity incidents, we carry out real- time cybersecurity threat monitoring of IT assets, perform penetration testing, audit applicable data policies and conduct directed employee training. We also monitor existing and emerging laws and regulations related to data protection and information security and implement appropriate changes. We maintain an insurance policy that provides certain coverage for losses we incur due to data breaches and other cybersecurity incidents. We implemented incident response and breach management processes consisting of four stages: 1) monitor for and identify cybersecurity incidents,** 2 **) carry out security incident analysis, 3) contain and recover, and 4) improve with post- incident analysis. Such incident responses are governed by the Cybersecurity Steering Committee. We regularly engage external auditors to assess our internal cybersecurity programs and compliance and have been certified to conform to the requirements of ISO / IEC 27001. There are no identified cybersecurity threats that have materially affected or are reasonably likely to materially affect our results of operations, or financial condition as of the date of this Annual Report on Form 10- K. See " Risk Factors " for more information on our cybersecurity risks. Cybersecurity Governance As an important part of our risk management processes, cybersecurity is a focus area for our Board and management. Our Nominating and Corporate Governance Committee (the " NCG Committee "), which consists of independent members of the Board of Directors, is responsible for the oversight of risks from cybersecurity threats. The NCG Committee receives quarterly updates from the Cybersecurity Steering Committee. These updates include existing and emerging cybersecurity threats, risks, cybersecurity incident management and key information security initiatives. The NCG Committee also provides updates to our cybersecurity risk management and strategy programs to the Board of Directors on a quarterly basis. Our cybersecurity risk management and strategy processes are overseen by the Cybersecurity Steering Committee, which includes individuals with an average of over 18 years of prior work experience in various roles involving IT governance and management, cybersecurity, auditing, and compliance. The Cybersecurity Steering Committee actively participates in the cybersecurity risk management and strategy processes as described above, and regularly reports to senior management and the NCG Committee. 30Item 2** . Properties