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United States

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2001**

Or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _______ to ________.

Commission file number: 1-5740

DIODES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**95-2039518** (I.R.S. Employer Identification Number)
3050 East Hillcrest Drive **Westlake Village, California** (Address of principal executive offices)	**91362** (Zip code)

(805) 446-4800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

The number of shares of the registrant's Common Stock, $0.66 2/3 par value, outstanding as of August 7, 2001 was 9,223,705, including 1,075,672 shares of treasury stock.

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PART I — FINANCIAL INFORMATION

Item 1 — Consolidated Financial Statements

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS

	December 31, 2000	June 30, 2001
		(Unaudited)
CURRENT ASSETS		
Cash	$ 4,476,000	**$ 2,867,000**
Accounts receivable		
Customers	19,723,000	**19,267,000**
Related parties	615,000	**1,467,000**
Other	26,000	—
	20,364,000	**20,734,000**
Less allowance for doubtful receivables	311,000	**250,000**
	20,053,000	**20,484,000**
Inventories	31,788,000	**23,939,000**
Deferred income taxes, current	4,387,000	**4,382,000**
Prepaid expenses and other current assets	686,000	**912,000**
Total current assets	61,390,000	**52,584,000**
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	45,129,000	**47,569,000**
DEFERRED INCOME TAXES, non-current	616,000	**2,173,000**
OTHER ASSETS		
Goodwill, net	5,318,000	**5,463,000**
Other	497,000	**459,000**
TOTAL ASSETS	$112,950,000	**$108,248,000**

The accompanying notes are an integral part of these financial statements.

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DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS’ EQUITY

	December 31, 2000	June 30, 2001
		(Unaudited)
CURRENT LIABILITIES		
Line of credit	$ 7,750,000	**$ 8,055,000**
Accounts payable		
Trade	10,710,000	**6,234,000**
Related parties	1,008,000	**2,713,000**
Accrued liabilities	8,401,000	**5,472,000**
Income taxes payable	1,370,000	**329,000**
Current portion of long-term debt		
Related party	11,049,000	**3,240,000**
Other	3,811,000	**3,550,000**
Total current liabilities	44,099,000	**29,593,000**
LONG-TERM DEBT, net of current portion		
Related party	2,500,000	**10,000,000**
Other	13,497,000	**14,314,000**

MINORITY INTEREST IN JOINT VENTURE	1,601,000	**1,720,000**
STOCKHOLDERS' EQUITY		
Class A convertible preferred stock - par value $1.00 per share; 1,000,000 shares authorized; no shares issued and outstanding	—	**—**
Common stock — par value $0.66 2/3 per share; 30,000,000 shares authorized; 9,201,704 and 9,222,205 shares issued and outstanding at December 31, 2000 and June 30, 2001, respectively	6,134,000	**6,148,000**
Additional paid-in capital	7,143,000	**7,224,000**
Retained earnings	39,758,000	**41,031,000**
	53,035,000	**54,403,000**
Less:		
Treasury stock — 1,075,672 shares of common stock, at cost	1,782,000	**1,782,000**
Total stockholders' equity	51,253,000	**52,621,000**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$112,950,000	**$108,248,000**

The accompanying notes are an integral part of these financial statements.

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DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	**2001**	2000	**2001**
Net sales	$32,600,000	**$21,001,000**	$60,037,000	**$46,749,000**
Cost of goods sold	22,111,000	**16,957,000**	41,111,000	**38,584,000**
Gross profit	10,489,000	**4,044,000**	18,926,000	**8,165,000**
Selling, general and administrative expenses	5,270,000	**3,453,000**	9,812,000	**6,637,000**
Income from operations	5,219,000	**591,000**	9,114,000	**1,528,000**
Other income (expense)				
Interest income	143,000	**69,000**	195,000	**136,000**
Interest expense	(372,000)	**(570,000)**	(588,000)	**(1,310,000)**
Other	40,000	**220,000**	46,000	**123,000**
	(189,000)	**(281,000)**	(347,000)	**(1,051,000)**
Income before income taxes and minority interest	5,030,000	**310,000**	8,767,000	**477,000**
Income tax benefit (provision)	(535,000)	**260,000**	(1,027,000)	**689,000**
Income before minority interest	4,495,000	**570,000**	7,740,000	**1,166,000**
Minority interest in joint venture earnings	(175,000)	**(45,000)**	(280,000)	**(119,000)**
Net income	$ 4,320,000	**$ 525,000**	$ 7,460,000	**$ 1,047,000**
Earnings per share				
Basic	$ 0.54	**$ 0.06**	$ 0.93	**$ 0.13**
Diluted	$ 0.46	**$ 0.06**	$ 0.81	**$ 0.12**
Weighted average shares outstanding				
Basic	8,072,885	**8,143,318**	8,029,413	**8,139,501**
Diluted	9,340,505	**8,896,744**	9,250,361	**8,970,791**

The accompanying notes are an integral part of these financial statements.

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DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2000	**2001**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 7,460,000	**$ 1,047,000**
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	2,087,000	**4,102,000**
Minority interest earnings	280,000	**119,000**
Interest income accrued on advances to vendor	(94,000)	**—**
Changes in operating assets:		
Accounts receivable	(4,511,000)	**(431,000)**
Inventories	(5,026,000)	**7,849,000**
Prepaid expenses and other assets	(589,000)	**(1,740,000)**
Changes in operating liabilities:		
Accounts payable	3,420,000	**(2,771,000)**
Accrued liabilities	207,000	**(2,929,000)**
Income taxes payable	(160,000)	**(1,041,000)**
Net cash provided by operating activities	2,742,000	**4,205,000**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,965,000)	**(6,542,000)**
Collections on note receivable	162,000	**—**
Net cash used by investing activities	(5,803,000)	**(6,542,000)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on line of credit, net	3,392,000	**305,000**
Net proceeds from the issuance of capital stock	510,000	**95,000**
Proceeds from (repayments of) long-term obligations	(1,476,000)	**247,000**
Other	(45,000)	**—**
Net cash provided by financing activities	2,381,000	**647,000**
DECREASE IN CASH	(348,000)	**(1,690,000)**
CASH AT BEGINNING OF PERIOD	3,557,000	**4,476,000**
CASH AT END OF PERIOD	$ 3,209,000	**$ 2,867,000**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 393,000	**$ 1,174,000**
Income taxes	$ 1,189,000	**$ 1,904,000**

The accompanying notes are an integral part of these financial statements.

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DIODES INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

NOTE A — Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. They do not include all information and footnotes necessary for a fair presentation of financial position and results of operations and cash flows in conformity with generally accepted accounting principles. These consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2000. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair presentation have been included in the interim period. Operating results for the six months ended June 30, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001.

The consolidated financial statements include the accounts of the Company and its wholly-owned foreign subsidiary, Diodes Taiwan Co., Ltd. ("Diodes-Taiwan"), the accounts of Shanghai KaiHong Electronics Co., Ltd. ("Diodes-China") in which the Company has a 95% interest, and the accounts of FabTech Incorporated ("FabTech" or "Diodes-FabTech"), which the Company acquired in December 2000. All significant intercompany balances and transactions have been eliminated.

NOTE B — Recently Issued Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill (and intangible assets deemed to have indefinite lives) will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. During 2002, the Company will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002 and has not yet determined what the effect, if any, of these tests will be on the earnings and financial position of the Company. Application of the non-amortization provisions of the Statement is expected to result in an increase in net income of approximately $288,000 ($0.03 per share) per year, assuming no impairment adjustment.

NOTE C — Inventories

Inventories are stated at the lower of cost or market value. Cost is determined principally by the first-in, first-out method.

	December 31, 2000	June 30, 2001
Finished goods	$18,603,000	**$13,346,000**
Work-in-progress	2,683,000	**1,949,000**
Raw materials	10,502,000	**8,644,000**
	$31,788,000	**$23,939,000**

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NOTE D — Income Taxes

The Company accounts for income taxes using an asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the tax effect of differences between the financial statement and tax basis of assets and liabilities. Accordingly, the Company has recorded a net deferred tax asset of $6.6 million resulting from temporary differences in bases of assets and liabilities. This deferred tax asset results primarily from inventory reserves and certain expense accruals, which are not currently deductible for income tax purposes.

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are; (i) earnings of Diodes-China are currently taxed at approximately 13.5%, and as discussed below, deferred U.S. federal and state income taxes are not provided on these earnings, and (ii) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

As of June 30, 2001, accumulated and undistributed earnings of Diodes-China are approximately $21.1 million. The Company has not recorded a deferred tax liability (estimated to be $8.5 million) on these earnings since the Company considers this investment to be permanent, and has no plans, intentions or obligation to distribute all or part of that amount from China to the United States. The Company will consider the need to provide deferred taxes on future earnings of Diodes-China, as further investment strategies with respect to Diodes-China are determined.

NOTE E — Stock Split

On July 14, 2000, the Company effected a three-for-two stock split for shareholders of record as of June 28, 2000. All share and per share amounts in the accompanying financial statements reflect the effect of this stock split.

NOTE F — Segment Information

Information about the Company’s operations in the United States and the Far East are presented below. Items transferred among the Company and its subsidiaries are transferred at prices to recover costs plus an appropriate mark up for profit. Inter-company revenues, profits and assets have been eliminated to arrive at the consolidated amounts.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company’s chief decision-making group consists of the President and Chief Executive Officer, the Vice President of Sales and Marketing, the Chief Financial Officer and the Vice President of Far East Operations.

The Company’s reportable operating segments include the domestic operations (Diodes and FabTech) located in the United States and the Far East operations (Diodes-Taiwan located in Taipei, Taiwan; and Diodes-China located in Shanghai, China). Diodes-North America procures and distributes products primarily throughout North America and provides management, warehousing, engineering and logistics support. FabTech, Inc. manufactures and distributes 5-inch silicon wafers primarily to trade customers, as well as for use in the Company’s internal manufacturing processes at Diodes-China. Diodes-Taiwan markets and sells discrete semiconductor devices throughout the Far East and to Diodes Incorporated. Diodes-China manufactures discrete semiconductor devices for sale to Diodes Incorporated, Diodes-Taiwan and third-party customers in the Far East.

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Three Months Ended June 30, 2000	Far East	North America	Consolidated Segments
Total sales	$ 28,467,000	$18,485,000	$ 46,952,000
Inter-segment sales	(13,596,000)	(756,000)	(14,352,000)
Net sales	$ 14,871,000	$17,729,000	$ 32,600,000

Depreciation and amortization	$ 1,017,000	$ 72,000	$ 1,089,000
Operating income	$ 5,556,000	$ (337,000)	$ 5,219,000
Assets	$ 52,568,000	$23,427,000	$ 75,995,000
Capital expenditures	$ 2,946,000	$ (22,000)	$ 2,924,000

Three Months Ended June 30, 2001	**Far East**	**North America**	**Consolidated Segments**
Total sales	**$16,255,000**	**$13,017,000**	**$ 29,272,000**
Inter-segment sales	**(6,826,000)**	**(1,445,000)**	**(8,271,000)**
Net sales	**$ 9,429,000**	**$11,572,000**	**$ 21,001,000**
Depreciation and amortization	**$ 1,440,000**	**$ 579,000**	**$ 2,019,000**
Operating income	**$ 838,000**	**$ (248,000)**	**$ 590,000**
Assets	**$62,913,000**	**$45,335,000**	**$108,248,000**
Capital expenditures	**$ 3,094,000**	**$ 647,000**	**$ 3,741,000**

Six Months Ended June 30, 2000	**Far East**	**North America**	**Consolidated Segments**
Total sales	$ 50,780,000	$34,176,000	$ 84,956,000
Inter-segment sales	(23,494,000)	(1,425,000)	(24,919,000)
Net sales	$ 27,286,000	$32,751,000	$ 60,037,000
Depreciation and amortization	$ 1,920,000	$ 167,000	$ 2,087,000
Operating income	$ 9,611,000	$ (497,000)	$ 9,114,000
Assets	$ 52,568,000	$23,427,000	$ 75,995,000
Capital expenditures	$ 5,545,000	$ 421,000	$ 5,966,000

Six Months Ended June 30, 2001	**Far East**	**North America**	**Consolidated Segments**
Total sales	**$ 32,981,000**	**$29,144,000**	**$ 62,125,000**
Inter-segment sales	**(13,599,000)**	**(1,777,000)**	**(15,376,000)**
Net sales	**$ 19,382,000**	**$27,367,000**	**$ 46,749,000**
Depreciation and amortization	**$ 2,931,000**	**$ 1,171,000**	**$ 4,102,000**
Operating income	**$ 3,289,000**	**$ (1,762,000)**	**$ 1,527,000**
Assets	**$ 62,913,000**	**$45,335,000**	**$108,248,000**
Capital expenditures	**$ 5,479,000**	**$ 1,063,000**	**$ 6,542,000**

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Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations

Except for the historical information contained herein, the matters addressed in this Item 2 constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are subject to a variety of risks and uncertainties, including those discussed below under the heading "Factors That May Affect Future Results" and elsewhere in this Quarterly Report on Form 10-Q, that could cause actual results to differ materially from those anticipated by the Company's management. The Private Securities Litigation Reform Act of 1995 (the "Act") provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made on this Quarterly Report on Form 10-Q are made pursuant to the Act.

General

Diodes Incorporated (the "Company") is a manufacturer and distributor of high-quality discrete semiconductor devices to leading manufacturers in the communications, computer, industrial, consumer electronics and automotive industries, and to distributors of electronic components. The Company's products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, diodes, rectifiers and bridges, as well as silicon wafers used in manufacturing these products.

For financial reporting purposes, the Company is deemed to engage in two industry segments: North America and the Far East. Both segments focus on discrete semiconductor devices. The North American segment includes the corporate offices in California ("Diodes-North America") as well as FabTech, Inc. ("FabTech" or "Diodes-FabTech"), the newly acquired 5-inch wafer foundry located in Missouri. Diodes-North America procures and distributes products primarily throughout North America and provides management, warehousing, engineering and logistics support. Diodes-FabTech manufactures silicon wafers for use by Diodes-China as well as for sale to its customer base. The Far East segment includes the operations of Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China manufactures product for, and distributes product to, both Diodes-North America and Diodes-Taiwan, as well as to trade customers. Diodes-Taiwan is the Company's Asia-Pacific sales, logistics and distribution center, and procures product from, and distributes product primarily to, customers in Taiwan, Korea, Singapore and Hong Kong, and to Diodes-North America.

The discrete semiconductor industry, in which the Company competes, has historically had periods of severe pricing pressures. Although manufacturing costs have been falling, excess manufacturing capacity and over-inventory has caused selling prices to fall to a greater extent than manufacturing cost. To compete in this highly competitive industry, in recent years, the Company has committed substantial resources to the development and implementation of two areas of operation: (i) sales and marketing, and (ii) manufacturing. Emphasizing the Company's focus on customer service, additional personnel and programs have been added. In order to meet customers' needs at the design stage of end-product development, the Company has employed additional applications engineers. These applications engineers work directly with customers to assist them in "designing in" the correct products to produce optimum results. Regional sales managers, working closely with manufacturers' representatives and distributors, have also been added in North America and the Far East to help satisfy customers' requirements. In addition, the Company has continued to develop relationships with major distributors who inventory and sell the Company's products. For a description of the Company's manufacturing capacity, see "Manufacturing and Vendors."

Sales

The Company's products are sold primarily in North America and the Far East, both directly to end users and through electronic component distributors. Beginning in 1998, the Company has increased the amount of product shipped to larger distributors. Although these sales are significant in terms of total sales dollars and gross margin dollars, they generally are under agreements that resulted in lower gross profit margins for the Company when compared to sales to smaller distributors and OEM customers. As the consolidation of electronic component distributors continues, the Company anticipates that a greater portion of its distributor sales will be to the larger distributors, and thus may result in lower gross profit margins for this sales channel.

In 1999, Diodes-Taiwan began purchasing silicon wafers, a new product line, from FabTech for resale to customers in the Far East. The gross margin percentage on sales of silicon wafers is currently far below that of the Company's standard product line. Initially a complementary service for some customers rather than a focused product line, silicon wafers will now be a focused product line supplied by FabTech to its current customer base, as well as to Diodes-China for use in its manufacturing process. Silicon wafer sales were $3.1 million and $2.7 million, for the three months ended June 30, 2001 and 2000, respectively, and $7.9 million and $4.9 million for the six months ended June 30, 2001 and 2000, respectively.

The Company has recently expanded its Far East sales force to be able to expand sales and to more effectively service accounts in Taiwan, Hong Kong, Mainland China and other areas that are positioned for rapid growth. In addition, the Company has initiated a sales team in Europe to serve the UK, France, Germany, Italy and Israel, among others, and is actively sampling customers and taking orders.

Manufacturing and Vendors

The Company's Far East manufacturing subsidiary, Diodes-China, manufactures product for sale primarily to customers in North America and the Far East. Diodes-China's manufacturing focuses on miniature surface- mount packages for diodes and transistors, starting with single chip implementations and adding multi-chip packaging to meet custom requirements reducing the space required in end equipment. These surface-mount devices ("SMD") are much smaller in size and are used primarily in the computer and communication industries, destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, as well as in consumer products such as garage door transmitters and other electronic devices. Diodes-China's state-of-the-art facilities have been designed to develop even smaller, higher-density products as electronic industry trends to portable and hand-held devices continue. Currently, Diodes-China is operating at approximately 45-50% of capacity, and reporting an operating profit. Although Diodes-China purchases processed silicon wafers from FabTech for use in its manufacturing process, the majority currently are purchased from other wafer vendors. The Company intends to increase the use of FabTech's wafers in Diodes-China's manufacturing processes.

Since 1997, the Company's manufacturing focus has primarily been in the development and expansion of Diodes-China. To date, the Company and its 5% minority partner have increased property, plant and equipment at the facility to approximately $44.3 million. The equipment expansion allows for the manufacture of additional SOT-23 packaged components as well as other surface-mount packaging, including the smaller SOD packages. As the industry requires manufacturing of smaller and more efficient products that meet the technical requirements of customers seeking to integrate multiple technologies within one package, the Company will continue to increase manufacturing capacity as worldwide demand warrants.

In addition, the Company will continue its strategic plan of locating alternate sources of its products and raw materials, including those provided by its major suppliers. Alternate sources include, but are not limited to sourcing agreements in place, as well as those in negotiation. The Company anticipates that the effect of the loss of any one of its major suppliers will not have a material adverse effect on the Company's operations, provided that alternate sources remain available. The Company continually evaluates alternative sources of its products to assure its ability to deliver high-quality, cost-effective products.

FabTech

Acquired on December 1, 2000 from Lite-On Semiconductor Corporation ("LSC"), FabTech's wafer foundry is located in Lee's Summit, Missouri. As of June 30, 2001, LSC owns approximately 37.6% of the outstanding Common Stock of the Company. FabTech manufactures primarily 5-inch silicon wafers (the building blocks for semiconductors) that are used to make Schottky diodes and rectifiers. FabTech has full foundry capabilities including processes such as silicon epitaxy, silicon oxidation, photolithography and etching, ion implantation and diffusion, low pressure and plasma enhanced chemical vapor deposition, sputtered and evaporated metal deposition, wafer backgrinding, and wafer probe and ink.

FabTech purchases polished silicon wafers, and then by using the various technologies listed above, in conjunction with many chemicals and gases, fabricates several layers on the wafers, including epitaxial silicon, ion implants, dielectrics, and metals, with various patterns. Depending upon these layers and the die size (which is determined during the photolithography process and completed at the customer's packaging site where the

wafer is sawed into square or rectangular die), wafers, with different types of diodes with various currents, voltages, and switching speeds, are produced. Currently, Diodes-FabTech is operating at approximately 30-35% of capacity and reporting an operating loss.

The FabTech purchase price consisted of approximately $6 million in cash and an earnout of up to $30 million over a four-year period if FabTech meets specified earnings targets. As of June 30, 2001, it is unlikely these specified earning targets would be met for 2001. In addition, FabTech is obligated to repay an aggregate of approximately $19 million, consisting of (i) approximately $13.6 million payable, together with interest at LIBOR plus 1%, to LSC through March 31, 2002, (ii) approximately $2.6 million payable, together with interest at LIBOR plus 1.1%, to the Company through February 28, 2001 and (iii) approximately $3.0 million payable to a financial institution, which amount was repaid on December 4, 2000 with the proceeds of a capital contribution by the Company. The acquisition was financed internally and through bank credit facilities.

The Company has recently re-negotiated its obligation to LSC. The new terms consist of a monthly payment of approximately $500,000 plus interest accrued (based upon LIBOR plus 1.0%) per month beginning in July 2001 for the remainder of the year, followed by the remaining balance of $10,000,000 payable in 24 equal monthly installments, together with interest at the rate of LIBOR plus 2.0%, commencing on July 31, 2002. Accrued interest on the $10,000,000 will be paid monthly beginning in July 2001.

Recent Results

Starting in the second half of 1999, and continuing through the first three quarters of 2000, industry demand exceeded industry capacity. In addition, OEM customers and distributors increased their inventory levels. As a result, the Company's gross profit margins reached a peak of 34.4% in the third quarter of 2000.

As semiconductor manufacturers, including the Company, rapidly invested in plant and equipment to increase their capacity, the semiconductor industry experienced a sharp inventory correction primarily in two key markets, communications and computers. Compounding this inventory correction, economies (primarily the U.S. and the Far East) slowed, causing a sharp decline in sales in the fourth quarter of 2000.

The excess capacity, combined with the decreased demand and higher customer inventory levels, has continued into 2001. Although the Company's market share has remained stable, market conditions have not improved. Because of this, the Company expects lower gross profit margins until such a time as demand increases and the Company utilizes more of its available manufacturing capacity.

The impact to earnings is largely attributable to lower unit sales, pricing pressures, reduced capacity utilization of the Company's manufacturing assets and demand-induced product mix changes, all which have had a negative impact on gross margins. Due to market conditions, capacity utilization at Diodes-FabTech has decreased 45% as compared to the previous year, while Diodes-China's utilization has decreased 35%. Gross margins increased from 16.0% in the first quarter of 2001, to 19.3% in the second quarter of 2001, primarily due to reduced fixed costs and manufacturing yield improvements at Diodes-FabTech.

The risks of becoming a fully integrated manufacturer are amplified in an industry-wide slowdown because of the fixed costs associated with manufacturing facilities. The Company has responded to this cyclical downturn by implementing programs to cut operating costs, including reducing its worldwide workforce by 26%, primarily at the FabTech and Diodes-China manufacturing facilities. The Company will continue to actively adjust its cost structure as dictated by market conditions.

Although no clear short-term change in market conditions exist, the Company believes that long-term it will continue to generate value for shareholders and customers, not just from its expanded Diodes-China manufacturing and FabTech's foundry assets, but also by the addition of a true technology component to the Company. Although market conditions changed just as the new initiative started, the Company will continue to pursue its goal of becoming a total solution provider. This is a multi-year initiative that will increase the Company's ability to serve its customers' needs, while establishing the Company at the forefront of the next generation of discrete technologies.

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Taxes

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are; 1) earnings of Diodes-China are currently taxed at approximately 13.5%, and as discussed below, deferred U.S. federal and state income taxes are not provided on these earnings, and 2) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

From 2001 through 2003, the tax rate at Diodes-China is expected to be approximately 13.5% (one-half of the normal tax rate of 27%). The Company, however, has received indications from the local taxing authority in Shanghai that the 0% tax holiday may be extended beyond 2000, but currently, no assurances can be made regarding the preferential tax treatment extension. In addition, it is currently not known whether the taxing authority for the central government of the People's Republic of China ("PRC") will participate in this extended tax holiday arrangement. As of June 30, 2001, Diodes-China has recorded an offsetting tax credit, as the Company believes it will recover the tax expense. Based upon expected tax rates in the U.S., Taiwan and China, and the expected profitability of each of the Company's operating entities during the balance of the year, it is anticipated that for 2001 the consolidated provision for income taxes should be in the range of 10% to 20% of pre-tax income.

In accordance with tax treaty arrangements, the Company receives full credit against its U.S. federal tax liability for corporate taxes paid in Taiwan and China. The repatriation of funds from Taiwan and China to the Company may be subject to state income taxes. In the years ending December 31, 1999 and 2000, Diodes-Taiwan distributed dividends of approximately $1.5 million and $2.6 million, respectively, which is included in federal and state taxable income. Deferred taxes have been provided for all remaining undistributed earnings of Diodes-Taiwan.

As of June 30, 2001, accumulated and undistributed earnings of Diodes-China are approximately $21.1 million. The Company has not recorded deferred federal or state tax liabilities (estimated to be $8.5 million) on these earnings since the Company considers its investment in Diodes-China to be permanent, and has no plans, intentions or obligation to distribute all or part of that amount from China to the United States.

Each quarter the Company assesses its position with respect to its investment plans and monetary policies as they relate to the recognition of deferred tax liabilities on the earnings at Diodes-China. At such time the Company plans to cease reinvesting its earnings in Diodes-China, deferred income taxes would be provided on incremental earnings of Diodes-China thereafter.

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Results of Operations for the Three Months Ended June 30, 2000 and 2001

The following table sets forth, for the periods indicated, the percentage that certain items in the statement of income bear to net sales and the percentage dollar increase (decrease) of such items from period to period.

	Percent of Net Sales Three Months Ended June 30,	Percentage Dollar Increase (Decrease)

	2000	2001	'00 to '01
Net sales	100.0%	**100.0%**	**(35.6)%**
Cost of goods sold	(67.8)	**(80.7)**	**(23.3)**
Gross profit	32.2	**19.3**	**(61.4)**
Selling, general & administrative expenses ("SG&A")	(16.2)	**(16.5)**	**(34.5)**
Income from operations	16.0	**2.8**	**(88.7)**
Interest expense, net	(0.7)	**(2.4)**	**118.8**
Other income	0.1	**1.1**	**(450.0)**
Income before taxes and minority	15.4	**1.5**	**(93.8)**
Income taxes	(1.6)	**1.2**	**(148.6)**
Income before minority interest	13.8	**2.7**	**(87.3)**
Minority interest	(0.5)	**(0.2)**	**(74.3)**
Net income	13.3	**2.5**	**(87.8)**

The following discussion explains in greater detail the consolidated operating results and financial condition of the Company for the three months ended June 30, 2001 compared to the three months ended June 30, 2000. This discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

	2000	2001
Net Sales	$32,600,000	**$21,001,000**

Net sales decreased approximately $11.6 million, or 35.6%, for the three months ended June 30, 2001, compared to the same period last year, due primarily to a 18.7% decrease in units sold as a result of decreased demand attributable to a slowing economy, excess customer inventory, and the resulting price pressures. The Company's average selling price decreased approximately 32% from the same three-month period last year, primarily in the Far East. Acquired in December 2000, Diodes-FabTech contributed trade sales of $2.9 million in the second quarter of 2001. As the operations of Diodes-FabTech are integrated, the Company plans to increase the use of FabTech wafers in the Company's products.

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	2000	2001
Cost of Goods Sold	$22,111,000	**$16,957,000**
Gross Profit	$10,489,000	**$ 4,044,000**
Gross Profit Margin Percentage	32.2%	**19.3%**

Gross profit decreased approximately $6.4 million, or 61.4%, for the three months ended June 30, 2001 compared to the year ago period. Of the $6.4 million decrease, approximately $3.7 million was due to the 35.6% decrease in net sales, while $2.7 million was due to the decrease in gross margin percentage from 32.2% to 19.3%. Excess manufacturing capacity and lower prices contributed to the decrease in gross margin percentage. The excess capacity, coupled with the decreased demand and higher customer inventory levels, has continued. Although the Company's market share has remained stable, market conditions have not improved. Because of this, the Company expects lower gross profit margins until such a time as demand increases and the Company utilizes more of its available manufacturing capacity.

	2000	2001
SG&A	$5,270,000	**$3,453,000**

SG&A for the three months ended June 30, 2001 decreased approximately $1.8 million, or 34.5%, compared to the same period last year, due primarily to lower sales commissions associated with the 35.6% decrease in sales, and lower wage and benefits expenses resulting from a work-force reduction which began in the fourth quarter of 2000. SG&A also decreased due to lower corporate and administrative expenses, partly offset by the inclusion of SG&A expenses and goodwill amortization, both associated with the December 2000 FabTech acquisition. SG&A as a percentage of sales increased to 16.4% from 16.2% in the comparable period last year, due to lower sales.

	2000	2001
Interest Income	$143,000	**$ 69,000**
Interest Expense	$372,000	**$570,000**
Net Interest Expense	$229,000	**$501,000**

Net interest expense for the three months ended June 30, 2001 increased $272,000 versus the same period last year, due primarily to an increase in the Company's total debt. The Company's interest expense is primarily the result of the Company's financing of the FabTech acquisition, as well as the investment in the Diodes-China manufacturing facility. The Company expects interest expense to increase significantly in 2001, compared to 2000, as a result of the additional debt, primarily associated with its acquisition of FabTech.

	2000	2001

	2000	2001
Other Income (Expense)	$40,000	**$220,000**

Other income for the three months ended June 30, 2001 increased approximately $180,000 compared to the same period last year, due primarily to rental income generated by FabTech for the use of its testing facilities, partly offset by management incentives associated with the FabTech acquisition. As per the terms of the stock purchase agreement, the Company has entered into several management incentive agreements with members of FabTech's management. The agreements provide members of management guaranteed annual compensation as well as contingent compensation based on the annual profitability of FabTech, subject to a maximum annual amount. For the year 2001, the guaranteed commitment is $375,000.

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	2000	2001
Income Tax Benefit (Provision)	$(535,000)	**$260,000**

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are: 1) earnings of Diodes-China are currently taxed at 13.5% and deferred U.S. federal and state income taxes are not provided on these earnings, and 2) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

	2000	2001
Minority Interest in Joint Venture	$(175,000)	**$(45,000)**

Minority interest in joint venture represents the minority investor's share of the Diodes-China joint venture's income for the period. The decrease in the joint venture earnings for the three months ended June 30, 2001 is primarily the result of decreased gross margins due to excess capacity and demand-induced product mix changes, both internally and to external customers. The joint venture investment is eliminated in consolidation of the Company's financial statements, and the activities of Diodes-China are included therein. As of June 30, 2001, the Company had a 95% controlling interest in the joint venture.

Results of Operations for the Six Months Ended June 30, 2000 and 2001

The following table sets forth, for the periods indicated, the percentage that certain items in the statement of income bear to net sales and the percentage dollar increase (decrease) of such items from period to period.

	Percent of Net Sales Six Months Ended June 30,		Percentage Dollar Increase (Decrease)
	2000	2001	'00 to '01
Net sales	100.0%	**100.0%**	**(22.1)%**
Cost of goods sold	(68.5)	**(82.5)**	**(6.1)**
Gross profit	31.5	**17.5**	**(56.9)**
Selling, general & administrative expenses ("SG&A")	(16.3)	**(14.2)**	**(32.4)**
Income from operations	15.2	**3.3**	**(83.2)**
Interest expense, net	(0.6)	**(2.5)**	**198.7**
Other income	0.0	**0.2**	**167.4**
Income before taxes and minority	14.6	**1.0**	**(94.6)**
Income taxes	(1.7)	**1.5**	**(167.1)**
Income before minority interest	12.9	**2.5**	**(84.9)**
Minority interest	(0.5)	**(0.3)**	**(57.5)**
Net income	12.4	**2.2**	**(86.0)**

The following discussion explains in greater detail the consolidated operating results and financial condition of the Company for the six months ended June 30, 2001 compared to the six months ended June 30, 2000. This discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

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	2000	2001
Net Sales	$60,037,000	**$46,749,000**

Net sales decreased approximately $13.3 million, or 22.1%, for the six months ended June 30, 2001, compared to the same period last year, due primarily to a 12.7% decrease in units sold as a result of decreased demand attributable to a slowing economy, excess customer inventory, and the resulting price pressures. The Company's average selling price decreased approximately 25% from the same six-month period last year, primarily in the Far East. Acquired in December 2000, Diodes-FabTech contributed trade sales of $7.7 million in the first half of 2001. As the operations of Diodes-FabTech are integrated, the Company plans to increase the use of FabTech wafers in the Company's products.

	2000	2001
Cost of Goods Sold	$41,111,000	**$38,584,000**
Gross Profit	$18,926,000	**$ 8,165,000**
Gross Profit Margin Percentage	31.5%	**17.5%**

Gross profit decreased approximately $10.8 million, or 56.9%, for the six months ended June 30, 2001 compared to the year ago period. Of the $10.8 million decrease, approximately $4.2 million was due to the 22.1% decrease in net sales, while $6.6 million was due to the decrease in gross margin percentage from 31.5% to 17.5%. Excess manufacturing capacity and lower prices contributed to the decrease in gross margin percentage. The excess capacity, coupled with the decreased demand and higher customer inventory levels, has continued. Although the Company's market share has remained stable, market conditions have not improved. Because of this, the Company expects lower gross profit margins until such a time as demand increases and the Company utilizes more of its available manufacturing capacity.

	2000	2001
SG&A	$9,812,000	**$6,637,000**

SG&A for the six months ended June 30, 2001 decreased approximately $3.2 million, or 32.4%, compared to the same period last year, due primarily to lower sales commissions associated with the 22.1% decrease in sales, and lower wage and benefits expenses resulting from a work-force reduction which began in the fourth quarter of 2000. SG&A also decreased due to lower corporate and administrative expenses, partly offset by the inclusion of SG&A expenses and goodwill amortization, both associated with the December 2000 FabTech acquisition. SG&A as a percentage of sales decreased to 14.2% from 16.3% in the comparable period last year.

	2000	2001
Interest Income	$195,000	**$ 136,000**
Interest Expense	$588,000	**$1,310,000**
Net Interest Expense	$393,000	**$1,174,000**

Net interest expense for the six months ended June 30, 2001 increased $781,000 versus the same period last year, due primarily to an increase in the Company's total debt. The Company's interest expense is primarily the result of the Company's financing of the FabTech acquisition, as well as the investment in the Diodes-China manufacturing facility. The Company expects interest expense to increase significantly in 2001, compared to 2000, as a result of the additional debt, primarily associated with its acquisition of FabTech.

	2000	2001
Other Income (Expense)	$46,000	**$123,000**

Other income for the six months ended June 30, 2001 increased approximately $77,000 compared to the same period last year, due primarily to rental income generated by FabTech for the use of its testing facilities, partly offset by management incentives associated with the FabTech acquisition. As per the terms of the stock purchase agreement, the Company has entered into several management incentive agreements with members of FabTech's management. The agreements provide members of management guaranteed annual compensation as well as contingent compensation based on the annual profitability of FabTech, subject to a maximum annual amount. For the year 2001, the guaranteed commitment is $375,000.

	2000	2001
Income Tax Benefit (Provision)	$(1,027,000)	**$689,000**

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are: 1) earnings of Diodes-China are currently taxed at 13.5% and deferred U.S. federal and state income taxes are not provided on these earnings, and 2) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

	2000	2001
Minority Interest in Joint Venture	$(280,000)	**$(119,000)**

Minority interest in joint venture represents the minority investor's share of the Diodes-China joint venture's income for the period. The decrease in the joint venture earnings for the six months ended June 30, 2001 is primarily the result of decreased gross margins due to excess capacity and demand-induced product mix changes, both internally and to external customers. The joint venture investment is eliminated in consolidation of the Company's financial statements, and the activities of Diodes-China are included therein. As of June 30, 2001, the Company had a 95% controlling interest in the joint venture.

Financial Condition

Liquidity and Capital Resources

Cash provided by operating activities for the six months ended June 30, 2001 was $4.2 million compared to $2.7 million for the same period in 2000. The primary sources of cash flows from operating activities in 2001 were a decrease in inventories of $7.8 million and depreciation and amortization of $4.1 million. The primary use of cash flows from operating activities in 2001 was a decrease in accrued liabilities of $2.9 million and a decrease in accounts payable of $2.8 million. The primary sources of cash flows from operating activities for the six months ended June 30, 2000 were net income of $7.5 million and an increase in accounts payable of $3.4 million, while the primary uses were a $5.0 million increase in inventories and a $4.5 million increase in accounts receivable. Inventory turns at June 30, 2001 were 3.1 times compared to 2.5 times at December 31, 2000. Accounts receivable days at June 30, 2001 were 84 days compared to 72 days at December 31, 2000. The ratio of the Company's current assets to current liabilities on June 30, 2001 was 1.8 to 1, compared to 1.4 to 1 at December 31, 2000.

Cash used by investing activities for the six months ended June 30, 2001 was $6.5 million, compared to $5.8 million during the same period in 2000. The primary investment in both years was for additional manufacturing equipment at the Diodes-China manufacturing facility.

Cash provided by financing activities was $647,000 for the six months ended June 30, 2001, compared to $2.4 million for the same period in 2000. The Company has a $26.5 million credit facility with a major bank consisting of: a working capital line of credit up to $9 million and term commitment notes providing up to $10.0 million for plant expansion and financing the acquisition of FabTech, and $7.5 million for Diodes-China

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operations. Interest on outstanding borrowings under the credit agreement is payable monthly at LIBOR plus a negotiated margin. Fixed borrowings require fixed principal plus interest payments for sixty months thereafter. The agreement has certain covenants and restrictions, which, among other matters, require the maintenance of certain financial ratios and operating results, as defined in the agreement. The Company was in compliance as of June 30, 2001. As of June 30, 2001, approximately $15.6 million is outstanding under the term note commitment, and the average interest rate on outstanding borrowings was approximately 6.0%.

Diodes-China operates with two unsecured working capital credit facilities. One credit facility provides for advances of up to $4.0 million while the second credit facility provides for advances of approximately $1.0 million, both with variable interest rates between 4.8% and 5.6%.

The Company, as part of the FabTech acquisition from LSC (its majority shareholder), also has an unsecured note payable to LSC for approximately $13.2 million. The Company has recently re-negotiated its obligation to LSC. The new terms consist of a monthly payment of approximately $500,000 plus interest accrued (based upon LIBOR plus 1.0%) per month beginning in July 2001 for the remainder of the year, followed by the remaining balance of $10,000,000 payable in 24 equal monthly installments, together with interest at the rate of LIBOR plus 1.5%, commencing on July 31, 2002. Accrued interest on the $10,000,000 will be paid monthly beginning in July 2001. The unsecured note is subordinated to the interest of the Company's primary lender.

The Company has used its credit facility primarily to fund the plant and equipment expansion at Diodes-China, as well as the acquisition of FabTech, and to support its operations. The Company believes that the continued availability of this credit facility, together with internally generated funds, will be sufficient to meet the Company's currently foreseeable operating cash requirements.

Total working capital increased approximately 32.9% to $23.0 million as of June 30, 2001 from $17.3 million as of December 31, 2000. The Company believes that its working capital position will be sufficient for growth opportunities.

The Company's long-term debt to equity ratio decreased to 0.59 at June 30, 2001, from 0.60 at December 31, 2000. The Company's total debt to equity ratio decreased to 1.06 at June 30, 2001, from 1.20 at December 31, 2000. It is anticipated that these ratios may increase should the Company use its credit facilities to fund additional sourcing and manufacturing opportunities.

As of June 30, 2001, the Company has no material plans or commitments for capital expenditures other than in connection with market-driven expansion at Diodes-China and the Company's implementation of an Oracle Enterprise Resource Planning software package, planned for late 2001. However, to ensure that the Company can secure reliable and cost effective inventory sourcing to support and better position itself for growth, the Company is continuously evaluating additional internal manufacturing expansion, as well as additional outside sources of products. The Company believes its financial position will provide sufficient funds should an appropriate investment opportunity arise and, thereby, assist the Company in improving customer satisfaction and in maintaining or increasing market share.

Cautionary Statement for Purposes of the "Safe Harbor" Provision of the Private Securities Litigation Reform Act of 1995

Except for the historical information contained herein, the matters addressed in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are subject to a variety of risks and uncertainties, including those discussed below and elsewhere in this Quarterly Report on Form 10-Q that could cause actual results to differ materially from those anticipated by the Company's management. The Private Securities Litigation Reform Act of 1995 (the "Act") provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made on this Quarterly Report on Form 10-Q are made pursuant to the Act.

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Factors That May Affect Future Results

All forward-looking statements contained in this Quarterly Report on Form 10-Q are subject to, in addition to the other matters described in this Quarterly Report on Form 10-Q, a variety of significant risks and uncertainties. The following discussion highlights some of these risks and uncertainties. Further, from time to time, information provided by the Company or statements made by its employees may contain forward-looking information. There can be no assurance that actual results or business conditions will not differ materially from those set forth or suggested in such forward-looking statements as a result of various factors, including those discussed below.

Risk Factors

Vertical Integration

We are in the process of vertically integrating our business. Key elements of this strategy include (i) expanding our manufacturing capacity, (ii) establishing wafer foundry and research and development capability through the acquisition of FabTech and (iii) establishing sales, marketing, product development, package development and assembly/testing operations in company-owned facilities or through the acquisition of established contractors. We have a limited history upon which an evaluation of the prospects of our vertical integration strategy can be based. There are certain risks associated with our vertical integration strategy, including:

- difficulties associated with owning a manufacturing business, including, but not limited to, the maintenance and management of manufacturing facilities, equipment, employees and inventories and limitations on the flexibility of controlling overhead;
- difficulties implementing our Oracle Enterprise Resource Planning system;
- difficulties expanding our operations in the Far East and developing new operations in Europe;
- difficulties developing and implementing a successful research and development team; and
- difficulties developing proprietary technology.

Economic Conditions

The discrete segment of the semiconductor industry is highly cyclical, and the value of our business may decline during the “down” portion of these cycles. During recent years, we, as well as many others in our industry, experienced significant declines in the pricing of, as well as demand for, our products and lower facilities utilization. The market for discrete semiconductors may experience renewed, possibly more severe and prolonged, downturns in the future. The markets for our products depend on continued demand in the communications, computer, industrial, consumer electronic and automotive markets, and these end-markets may experience changes in demand that could adversely affect our operating results and financial condition.

Competition

The discrete semiconductor industry is highly competitive. We expect intensified competition from existing competitors and new entrants. Competition is based on price, product performance, product availability, quality, reliability and customer service. We compete in various markets with companies of various sizes, many of which are larger and have greater financial, marketing, distribution, brand names and other resources than we have, and thus may be better able to pursue acquisition candidates and to withstand adverse economic or market conditions. In addition, companies not currently in direct competition with us may introduce competing products in the future. Some of our current major competitors are On Semiconductor, General Semiconductor, Inc., Fairchild Semiconductor Corporation, International Rectifier Corporation, Rohm, and Phillips. We may not be able to compete successfully in the future, or competitive pressures may harm our financial condition or our operating results.

Foreign Operations

We expect revenues from foreign markets to continue to represent a significant portion of our total revenues. In addition, we maintain facilities or contracts with entities in the Philippines, Taiwan, Germany, Japan, England, India, and China, among others. There are risks inherent in doing business internationally, including:

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- changes in, or impositions of, legislative or regulatory requirements, including tax laws in the United States and in the countries in which we manufacture or sell our products;
- trade restrictions; transportation delays; work stoppages; economic and political instability;
- changes in import/export regulations, tariffs and freight rates;
- difficulties in collecting receivables and enforcing contracts generally; and
- currency exchange rate fluctuations.

Variability of Quarterly Results

We have experienced, and expect to continue to experience, a substantial variation in net sales and operating results from quarter to quarter. We believe that the factors, which influence this variability of quarterly results, include:

- general economic conditions in the countries where we sell our products;
- seasonality and variability in the computer and communications market and our other end markets;
- the timing of our and our competitors’ new product introductions;
- product obsolescence;
- the scheduling, rescheduling and cancellation of large orders by our customers;
- the cyclical nature of demand for our customers’ products;
- our ability to develop new process technologies and achieve volume production at our fabrication facilities;
- changes in manufacturing yields;
- adverse movements in exchange rates, interest rates or tax rates; and
- the availability of adequate supply commitments from our outside suppliers or subcontractors.

Accordingly, a comparison of the Company's results of operations from period to period is not necessarily meaningful and the Company's results of operations for any period are not necessarily indicative of future performance.

New Technologies

We cannot assure you that we will successfully identify new product opportunities and develop and bring products to market in a timely and cost-effective manner, or that products or technologies developed by others will not render our products or technologies obsolete or noncompetitive. In addition, to remain competitive, we must continue to reduce package sizes, improve manufacturing yields and expand our sales. We may not be able to accomplish these goals.

Production

Our manufacturing efficiency will be an important factor in our future profitability, and we cannot assure you that we will be able to maintain or increase our manufacturing efficiency. Our manufacturing processes require advanced and costly equipment and are continually being modified in an effort to improve yields and product performance. We may experience manufacturing problems in achieving acceptable yields or experience product delivery delays in the future as a result of, among other things, capacity constraints, construction delays, upgrading or expanding existing facilities or changing our process technologies, any of which could result in a loss of future revenues. Our operating results also could be adversely affected by the increase in fixed costs and operating expenses related to increases in production capacity if revenues do not increase proportionately.

Future Acquisitions

As part of our business strategy, we expect to review acquisition prospects that would implement our vertical integration strategy or offer other growth opportunities. While we have no current agreements and no active negotiations underway with respect to any acquisitions, we may acquire businesses, products or technologies in the future. In the event of future acquisitions, we could:

- use a significant portion of our available cash;
- issue equity securities, which would dilute current stockholders' percentage ownership;
- incur substantial debt;
- incur or assume contingent liabilities, known or unknown;

- incur amortization expenses related to goodwill or other intangibles; and
- incur large, immediate accounting write-offs.

Such actions by us could harm our operating results and/or adversely influence the price of our common stock.

Integration of Acquisitions

During fiscal year 2000, we acquired FabTech. We may continue to expand and diversify our operations with additional acquisitions. If we are unsuccessful in integrating these companies or product lines with our operations, or if integration is more difficult than anticipated, we may experience disruptions that could have a material adverse effect on our business, financial condition and results of operations. Some of the risks that may affect our ability to integrate or realize any anticipated benefits from companies we acquire include those associated with:

- unexpected losses of key employees or customers of the acquired company;
- conforming the acquired company's standards, processes, procedures and controls with our operations;
- coordinating our new product and process development;
- 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;
- diversion of management's attention from other business concerns; and
- adverse effects on existing business relationships with customers.

Backlog

The amount of backlog to be shipped during any period is dependent upon various factors and all orders are subject to cancellation or modification, usually without penalty to the customer. Orders are generally booked from one to twelve months in advance of delivery. The rate of booking new orders can vary significantly from month to month. The Company and the industry as a whole are experiencing a trend towards shorter lead-times (the amount of time between the date a customer places an order and the date the customer requires shipment). The amount of backlog at any date depends upon various factors, including the timing of the receipt of orders, fluctuations in orders of existing product lines, and the introduction of any new lines. Accordingly, the Company believes that the amount of backlog at any date is not meaningful and is not necessarily indicative of actual future shipments. The Company strives to maintain proper inventory levels to support customers' just-in-time order expectations.

Product Resources

We sell products primarily pursuant to purchase orders for current delivery, rather than pursuant to long-term supply contracts. Many of these purchase orders may be revised or canceled without penalty. As a result, we must commit resources to the production of products without any advance purchase commitments from customers.

Our inability to sell, or delays in selling, products after we devote significant resources to them could have a material adverse effect on our business, financial condition and results of operations.

Qualified Personnel

Our future success depends, in part, upon our ability to attract and retain highly qualified technical, sales, marketing and managerial personnel. Personnel with the necessary expertise are scarce and competition for personnel with these skills is intense. We may not be able to retain existing key technical, sales, marketing and managerial employees or be successful in attracting, assimilating or retaining other highly qualified technical, sales, marketing and managerial personnel in the future. If we are unable to retain existing key employees or are unsuccessful in attracting new highly qualified employees, our business, financial condition and results of operations could be materially and adversely affected.

Expansion

Our ability to successfully offer our products in the discrete semiconductor market requires effective planning and management processes. Our past growth, and our targeted future growth, may place a significant strain on our management systems and resources, including our financial and managerial controls,

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reporting systems and procedures. In addition, we will need to continue to train and manage our workforce worldwide.

Suppliers

Our manufacturing operations depend upon obtaining adequate supplies of materials, parts and equipment on a timely basis from third parties. Our results of operations could be adversely affected if we are unable to obtain adequate supplies of materials, parts and equipment in a timely manner or if the costs of materials, parts or equipment increase significantly. In addition, a significant portion of our total sales is from parts manufactured by outside vendors. From time to time, suppliers may extend lead times, limit supplies or increase prices due to capacity constraints or other factors. Although we generally use products, materials, parts and equipment available from multiple suppliers, we have a limited number of suppliers for some products, materials, parts and equipment. While we believe that alternate suppliers for these products, materials, parts and equipment are available, an interruption could materially impair our operations.

Environmental Regulations

We are subject to a variety of United States federal, foreign, state and local governmental laws, rules and regulations related to the use, storage, handling, discharge or disposal of certain toxic, volatile or otherwise hazardous chemicals used in our manufacturing process. Any of these regulations could require us to acquire equipment or to incur substantial other expenses to comply with environmental regulations. If we were to incur substantial additional expenses, product costs could significantly increase, thus materially and adversely affecting our business, financial condition and results of operations. Any failure to comply with present or future environmental laws, rules and regulations could result in fines, suspension of production or cessation of operations, any of which could have a material adverse effect on our business, financial condition and results of operations.

Product Liability

One or more of our products may be found to be defective after we have already shipped such products in volume, requiring a product replacement or recall. We may also be subject to product returns which could impose substantial costs and have a material and adverse effect on our business, financial condition and results of operations. Product liability claims may be asserted with respect to our technology or products. Although we currently have product liability insurance, there can be no assurance that we have obtained sufficient insurance coverage, or that we will have sufficient resources, to satisfy all possible product liability claims.

System Outages

Risks are presented by electrical or telecommunications outages, computer hacking or other general system failure. To try to manage our operations efficiently and effectively, we rely heavily on our internal information and communications systems and on systems or support services from third parties. Any of these are subject to failure. System-wide or local failures that affect our information processing could have material adverse effects on our business, financial condition, results of operations and cash flows. In addition, insurance coverage for the risks described above may be unavailable.

Downward Price Trends

Our industry is intensely competitive and prices for existing products tend to decrease steadily over their life cycle. There is substantial and continuing pressure from customers to reduce the total cost of using our parts. To remain competitive, we must achieve continuous cost reductions through process and product improvements. We must also be in a position to minimize our customers' shipping and inventory financing costs and to meet their other goals for rationalization of supply and production. Our growth and the profit margins of our products will suffer if our competitors are more successful in reducing the total cost to customers of their products than we are.

Obsolete Inventories

The life cycles of some of our products depend heavily upon the life cycles of the end products into which our products are designed. Products with short life cycles require us to manage closely our production and inventory levels. Inventory may also become obsolete because of adverse changes in end market demand. We may in the future be adversely affected by obsolete or excess inventories which may result from unanticipated

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changes in the estimated total demand for our products or the estimated life cycles of the end products into which our products are designed.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

There are no matters to be reported under this heading.

Item 2. Changes in Securities

There are no matters to be reported under this heading.

Item 3. Defaults Upon Senior Securities

There are no matters to be reported under this heading.

Item 4. Submission of Matters to a Vote of Security Holders

The Company submitted to a vote of its security holders at an annual meeting of shareholders on June 11, 2001, the election of members of the Board of Directors. The directors were each elected to serve until the 2002 annual meeting or until their successors are elected and have qualified. The results of the tabulation for each nominee for director of the Company is as follows:

C.H. Chen,	For:	7,086,669
Director	Withheld:	732,441
Michael R. Giordano,	For:	7,372,101
Director	Withheld:	447,009
Keh-Shew Lu,	For:	7,390,631
Director	Withheld:	428,479
M.K. Lu,	For:	7,390,701
Director	Withheld:	428,409
Shing Mao,	For:	7,374,001
Director	Withheld:	445,109
Leonard M. Silverman,	For:	7,392,101
Director	Withheld:	427,009
Raymond Soong,	For:	7,373,951
Director	Withheld:	445,159
John M. Stich,	For:	7,392,051
Director	Withheld:	427,059

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The Company submitted to a vote of its security holders at an annual meeting of shareholders on June 11, 2001, an approval of the Company's 2001 Omnibus Equity Incentive Plan. The result of the tabulation was 3,567,438 shares voted in favor of the proposal, 1,724,569 shares voted against, 17,761 abstained from voting on the proposal, and 2,509,341 were broker non-votes.

The Company also submitted to a vote of its security holders at an annual meeting of shareholders on June 11, 2001, the appointment of Moss Adams LLP as the Company's independent certified public accountants for the fiscal year ending December 31, 2002. The result of the tabulation was 7,772,579 shares voted in favor of the proposal, 35,612 shares voted against, and 10,919 abstained from voting on the proposal. No broker non-votes with respect to this proposal were received.

Item 5. Other Information

The proxy materials for the 2001 annual meeting of stockholders held on June 11, 2001 were mailed to stockholders of the Company on April 30, 2001. Under certain circumstances, stockholders are entitled to present proposals at stockholder meetings. Any such proposal to be included in the proxy statement for the 2002 annual meeting of stockholders must be received at the Company's executive offices at 3050 East Hillcrest Drive, Westlake Village, California, 91362, addressed to the attention of the Corporate Secretary by January 4, 2002 in a form that complies with applicable regulations. Recently, the Securities and Exchange Commission amended its rule governing a company's ability to use discretionary proxy authority with respect to stockholder proposals which were not submitted by the stockholders in time to be included in the proxy statement. As a result of that rule change, in the event a stockholder proposal is not submitted to the Company prior to March 15, 2002, the proxies solicited by the Board of Directors for the 2002 annual meeting of stockholders will confer authority on the holders of the proxy to vote the shares in accordance with their best judgment and discretion if the proposal is presented at the 2002 annual meeting of stockholders without any discussion of the proposal in the proxy statement for such meeting.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 10.35	Amended and Restated Subordinated Promissory Note between FabTech, Inc. and Lite-On Semiconductor Corp.
Exhibit 11	Computation of Earnings Per Share
Exhibit 99.25	Press release: Diodes Incorporated Expands into European Market
Exhibit 99.26	Press release: Diodes Incorporated Appoints Dr. Keh-Shew Lu to Board of Directors
Exhibit 99.27	Press release: Diodes Incorporated Ranked Among Fortune's Fastest Growing Small Businesses
Exhibit 99.28	Press release: Diodes, Inc. Announces Conference Call to Discuss Second Quarter Financial Results

Exhibit 99.29	Press release: Diodes, Inc. Reports Second Quarter 2001 Results
Exhibit 99.30	Press release: Diodes Incorporated Ranked Among Fortune’s Fastest Growing Small Businesses
Exhibit 99.31	Press release: Diodes Incorporated Among Fastest-Growing Technology Companies in Deloitte & Touche Fast 50 Program
Exhibit 99.32	Press release: Diodes, Inc. Launches Compact 4-Line Array Schottky Bus Terminator for High-Speed Data Systems

(b) Reports on Form 8-K

None

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIODES INCORPORATED (Registrant)

By: /s/ Carl Wertz August 7, 2001

CARL WERTZ
Chief Financial Officer, Treasurer and Secretary
(Duly Authorized Officer and Principal Financial and
Chief Accounting Officer)

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INDEX TO EXHIBITS

EXHIBIT 10.35

THIS NOTE IS SUBORDINATED PURSUANT TO THE TERMS OF A SUBORDINATION AGREEMENT IN FAVOR OF UNION BANK OF CALIFORNIA, N.A., DATED AS OF DECEMBER 1, 2000, AND ANY AMENDMENTS OR MODIFICATIONS THERETO.

AMENDED AND RESTATED

SUBORDINATED PROMISSORY NOTE

U.S. $13,049,000.00 JUNE 29, 2001

FOR VALUE RECEIVED, the undersigned, FABTECH, INC., a Delaware corporation (the "Debtor"), hereby promises to pay to LITE-ON SEMICONDUCTOR CORP. (formerly LITE-ON POWER SEMICONDUCTOR CORP.), a Taiwan corporation (the "Payee"), the principal sum of Thirteen Million Forty-Nine Thousand United States Dollars (U.S. $13,049,000.00), together with interest from the date hereof on the unpaid principal balance from time to time outstanding at the rate set forth below (computed on the basis of a 360-day year), principal and interest to be payable as follows:

(a) The amount of U.S. $3,049,000.00 shall be payable in six (6) equal monthly installments of U.S. $508,166.67 each, together with interest accrued thereon at the rate of LIBOR plus 1.0%, on the last day of each month commencing on July 31, 2001 and ending on December 31, 2001.

(b) The amount of U.S. $10,000,000.00, together with interest accrued thereon at the rate of LIBOR plus 2.0%, shall be payable as follows: (i) interest only will be payable on the last day of each month commencing on July 31, 2001 and ending on June 30, 2002; and (ii) principal will be payable in twenty-four (24) equal monthly installments of U.S.$ 416,666.66. together with interest on the last day of each month commencing on July 31, 2002 and ending on June 30, 2004.

The principal of and interest on this Note shall be paid in lawful money of the United States of America at the principal office of the Debtor, 777 Northwest Blue Parkway, Lee's Summit, Missouri, or at such other place as, from time to time, may be designated by the Payee by written notice to the Debtor.

The Debtor reserves the right at any time and from time to time to prepay all or any portion of this Note without penalty or premium, but any such prepayment shall be applied first against interest which has accrued as of the date thereof and then against the unpaid principal balance.

This Note amends and restates that certain promissory note dated December 1, 2000 referred to in Section 6.8 of the Stock Purchase Agreement dated as of November 28, 2000, among the Debtor and the Payee, among others, and is entitled to all of the benefits thereunder.

1. Subordination.

The Debtor and the Payee hereby covenant and agree that notwithstanding anything to the contrary contained in this Note, the payment of the principal of and interest on this Note expressly hereby is subordinated in right of payment to the prior payment or provision for payment in full of all present and future Senior Indebtedness of the Debtor and all renewals, extensions and refundings of any such Senior Indebtedness. As used herein, the term "Senior Indebtedness" shall mean the principal of, and interest on, and all other amounts due on or in connection with, any liability of the Debtor for money borrowed from a bank or other financial institution, whether now existing or hereafter incurred. The Payee shall take such further actions, including the execution of additional subordination agreements, as may be required by any bank or other financial institution in order to provide further assurances of the subordination of this Note to all Senior Indebtedness.

In the event of any distribution of assets of the Debtor upon the dissolution, liquidation, winding up or reorganization of the Debtor, whether voluntary or involuntary, and whether in bankruptcy, insolvency or receivership proceedings, or upon the assignment for the benefit of creditors, sale of all or substantially all of the assets of the Debtor or the marshalling of the assets and liabilities of the Debtor, no amount shall be paid by the Debtor hereunder to the Payee, unless and until all other indebtedness to which this Note is subordinated shall have been paid in full, or otherwise discharged, or provision for payment shall have been otherwise made, together with all interest thereon and all other amounts payable in respect thereof, and the Debtor and any receiver or trustee in bankruptcy of the Debtor shall make any payments to which the Payee would otherwise be entitled but for the subordination provisions hereof directly to the holders of such other indebtedness ratably and to the extent necessary to pay in full all such other indebtedness, together with interest thereon and other amounts payable in respect thereof.

Upon the happening of an event of default (or if an event of default would result upon any payment with respect to this Note) with respect to any Senior Indebtedness, as such event of default is defined therein or in the instrument under which it is outstanding, permitting the holders to accelerate the maturity thereof, and if the default is other than default in payment of the principal of or interest on such Senior Indebtedness, upon written notice thereof given to the undersigned by the holders of such Senior Indebtedness or their representative, then, unless and until such event of default shall have been cured or waived or shall have ceased to exist, no payment shall be made by the Debtor with respect to the principal of or interest on this Note.

In the event the Payee shall receive payment, from any source or in any manner, of any amount in respect of the principal of or interest on this Note, or in respect of a transfer or assignment of this Note to the Debtor or any subsidiary of the Debtor, at a time when, pursuant to the subordination provisions hereof, the Payee is not entitled to receive payment of such amount, the Payee shall receive and hold such payment in trust for the holders of all other indebtedness to which this Note is subordinated and shall on demand pay to or for the account of the holders of all such other indebtedness ratably and to the extent necessary to pay in full all such other indebtedness, together with interest thereon and other amounts payable in respect thereof, the amount, but not to exceed the amount, so received.

Subject to the payment in full of all indebtedness of the Debtor to which this Note is subordinate, the Payee shall be subrogated to the rights of the holders of such other indebtedness to receive payment or distribution of assets of the Debtor applicable to such other indebtedness until this Note shall be paid in full, and no such payments or distributions to the holders of such other indebtedness, to which this Note is subordinate shall, as between the Debtor and the Payee, be deemed to be a payment by the Debtor to, or on account of, this Note, it being understood that the subordination provisions of this Note are, and are intended solely for the purpose of, defining the relative rights of the Payee, on the one hand, and the holder of other indebtedness to which this Note is subordinate, on the other hand, and nothing contained herein is intended to or shall impair, as between the Debtor and the Payee, the obligation of the Debtor, which is unconditional and absolute, to pay to the Payee the principal of and interest on this Note as and when the same shall become due and payable in accordance with the terms hereof.

The Payee, by acceptance hereof, acknowledges and agrees that each holder of indebtedness to which this Note is subordinated shall be deemed to have acquired such indebtedness in reliance upon the subordination provisions of this Note.

2. Waivers.

The Debtor, for itself and its legal representatives, successors and assigns, expressly waives presentment, protest, demand, notice of dishonor, notice of nonpayment, notice of maturity, notice of protest, presentment for the purpose of accelerating maturity, and diligence in collection of every kind and to the fullest extent permitted by law, the right to plead any statute of limitations as a defense of any demand hereunder, and consents that the Payee may extend the time for payment or otherwise modify the terms of payment of any part or the whole of the debt evidenced hereby.

3. Governing Law.

This Note in all respects shall be governed by and construed under the laws of the State of California applicable to contracts made and to be performed wholly within that state.

4. Assignment.

The Payee may assign its right, title and interest in and to this Note to any person who controls, is controlled by or is under common control with the Payee in connection with its own liquidation and dissolution, and the term "Payee" shall be deemed to include any such person.

Executed at Los Angeles, California as of the 29th day of June, 2001.

FABTECH, INC.
By: /s/ Walter Buchanan
Walter Buchanan, President

EXHIBIT -- 11

DIODES INCORPORATED AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
(Unaudited)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	2001	2000	2001
BASIC				
Weighted average number of common shares outstanding used in computing basic earnings per share	8,072,885	8,143,318	8,029,413	8,139,501
Net income	$4,320,000	$ 525,000	$7,460,000	$1,047,000
Basic earnings per share	$ 0.54	$ 0.06	$ 0.93	$ 0.13
DILUTED				
Weighted average number of common shares outstanding used in computing basic earnings per share	8,072,885	8,143,318	8,029,413	8,139,501
Assumed exercise of stock options	1,267,620	753,426	1,220,948	831,290
	9,340,505	8,896,744	9,250,361	8,970,791
Net income	$4,320,000	$ 525,000	$7,460,000	$1,047,000
Diluted earnings per share	$ 0.46	$ 0.06	$ 0.81	$ 0.12

Earnings per share and weighted average shares outstanding are after the effects of a three-for-two stock split in July 2000.

EXHIBIT 99.25

Diodes Incorporated
For Immediate Release

Diodes Incorporated Expands into European Market

Westlake Village, California, June 11, 2001 -- Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the telecommunications, computing, electronics and automotive industries, today announced that it has expanded its sales force into Europe.

To support the development of Diodes' European sales network, the Company has hired Oliver Woyke as European Sales Manager. Mr. Woyke is an engineer who brings extensive experience in semiconductor sales to Diodes, including sales and marketing posts with Motorola and Infineon, as well as with CS2, a Belgium-based semiconductor assembly and test service company.

Mr. Woyke's responsibilities will include the development and management of Diodes' manufacturers' representative network, as well as expanding Diodes relationship with Future Electronics as a primary distributor in the European marketplace.

Mark King, Diodes' Vice President of Sales and Marketing said, "We are excited about the potential of the European marketplace for Diodes' advanced surface mount devices. And we are pleased to bring aboard Oliver Woyke, an experienced engineer with a track record of sales and marketing success, to oversee our sales team in Europe.

"We believe that Europe remains a relatively under-serviced market for discrete devices, and Diodes has experienced early wins for our performance Schottky and subminiature array product lines. Our initial target will be the communications and automotive industries, sectors in which Oliver brings solid customer knowledge and relationships."

Mr. Woyke comes to Diodes from CS2, which is an advanced semiconductor assembly and test service based in Belgium, where he was Sales Director. Prior to that he served as Director of Marketing, Industrial Electronics-Home Appliances for Infineon Technologies in Munich, Germany. He began his career in the semiconductor industry with Motorola Semiconductor, where he rose from sales engineer to Marketing Manager, Automotive Accounts over a five-year period.

Mr. Woyke holds a degree in Telecommunication Engineering from the Technical University of Munich.

About Diodes Incorporated

Diodes, Inc. (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, serving the communications, computer, electronics and automotive markets. The Company operates two Far East subsidiaries, Diodes-China (QS-9000 & ISO-14001 certified) in Shanghai and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China's manufacturing focus is on surface-mount devices destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. The Company's newly acquired 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, visit the Company's website at http://www.diodes.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, such factors as fluctuations in product demand, the introduction of new products, the Company's ability to achieve market penetration and build its sales organization in Europe, maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, growth in targeted markets, risks of foreign operations, and other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.

Source: Diodes Incorporated

CONTACT: Crocker Coulson, Partner, Coffin Communications Group;
(818) 789-0100 e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer, Diodes, Inc.; (805) 446-4800

Recent news releases, annual reports, and SEC filings are available at the Company's website: http://www.diodes.com. Written requests may be sent directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

EXHIBIT 99.26

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Appoints Dr. Keh-Shew Lu to Board of Directors

Westlake Village, California, June 12, 2001 -- Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, electronics and automotive industries, today announced that it has named Dr. Keh-Shew Lu to its Board of Directors.

Dr. Lu has been Senior Vice President of Texas Instruments and manager of its Worldwide Mixed-Signal Products -- Semiconductor Group since June 1998. His areas of expertise include the mixed-signal portion of Texas Instrument's digital signal processing solutions, display solutions, and mixed-signal wireless communications.

Dr. Lu began his career with Texas Instruments in 1974 and rose through the ranks, holding a number of technical and managerial positions within the Semiconductor Group. Prior to his appointment as Senior Vice President in 1998, he had been President of Texas Instruments Asia, where he was responsible for all of Texas Instruments' activities in Asia, excluding Japan. Dr. Lu holds a bachelor's degree in engineering from National Cheng Kung University in Taiwan and a master's degree and doctorate in electrical engineering from Texas Tech University.

C.H. Chen, President and CEO of Diodes, Inc., commented, "We are very pleased to have Dr. Lu join Diodes' Board of Directors. He brings a vast knowledge of the semiconductor industry and sharp strategic thinking honed by decades of experience. We believe he will be of great value in assisting Diodes in its future growth."

Dr. Lu will replace David Lin, who has stepped down from Diodes' Board of Directors so as to join the Board of the Lite-On Group. "We appreciate the contribution of David Lin who had served as a director of Diodes since 1991 and as President and CEO from 1993 to 1997," Chen concluded.

About Diodes Incorporated

Diodes, Inc. (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, serving the communications, computer, electronics and automotive markets. The Company operates two Far East subsidiaries, Diodes-China (QS-9000 & ISO-14001 certified) in Shanghai and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China's manufacturing focus is on surface-mount devices destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. The Company's newly acquired 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, visit the Company's website at http://www.diodes.com.

Source: Diodes Incorporated

CONTACT: Crocker Coulson, Partner, Coffin Communications Group; (818) 789-0100 e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer, Diodes, Inc.; (805) 446-4800

Recent news releases, annual reports, and SEC filings are available at the Company's website: http://www.diodes.com. Written requests may be sent directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

EXHIBIT 99.27

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Ranked Among Fortune's Fastest Growing Small Businesses

Westlake Village, California, July 10, 2001 -- Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, electronics and automotive industries, today announced that it has been named to Fortune's Small Business 100 list, a ranking of the fastest growing small businesses of the past three years.

Fortune compiles the list with the aid of Zacks Investment Research, on the basis of earnings growth, revenue growth and total stock return, including dividends in the three years leading up to December 31, 2000. Fortune's Small Business 100 are required to be publicly traded on a major stock market, with under $200 million in revenue for the year 2000, and must have been in business for over three years.

All the qualifying companies are then ranked according to growth of earnings, revenue and return. Each component is weighted equally. The results are then averaged to find the fastest growing companies.

Overall, Diodes ranked 92 on the basis of earnings, revenue and return. The Company reported earnings per share growth of 38.5%, placing it 68th in the field of 100, with net income of $14.9 million in 2000. Diodes' sales rose by 21.4% over the three-year period, with growth to $118.5 million in 2000, which earned it 83rd place in the ranking. Diodes' total return to shareholders during the period was 16.9%, ranking it 72nd in the listing. The complete list of Fortune's Small Business 100 is available at www.fortune.com.

"We are very gratified to be included in Fortune's Small Business 100 list," said C.H. Chen, President and CEO of Diodes, Inc. "The listing highlights Diodes' record of generating robust top- and bottom-line growth and shareholder returns, despite cyclical fluctuations in the discrete semiconductor industry." Diodes' customers include leading OEM's such as Intel, Microsoft, Scientific Atlanta, Motorola and Bose, as well as tier-one global distributors such as Arrow, Avnet and Future.

Mr. Chen noted that over the past nine years, Diodes' revenues have grown at a compounded annual growth rate (CAGR) of 26.1%, while net income has grown at a CAGR of 56.5%. Although results for 2001 will be lower than 2000 as a result of the present economic downturn in the electronics industry, Diodes' goal is to continue to outperform the industry.

"With the recent addition of a wafer foundry and research and development capability, we believe that Diodes is poised to build upon our past record of growth in the coming years. Our success has been built upon our commitment to the needs of our customers and to managing our business to build shareholder value," Mr. Chen concluded.

About Diodes Incorporated

Diodes, Inc. (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, serving the communications, computer, electronics and automotive markets. The Company operates two Far East subsidiaries, Diodes-China (QS-9000 & ISO-14001 certified) in Shanghai and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China's manufacturing focus is on surface-mount devices destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. The Company's newly acquired 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, visit the Company's website at http://www.diodes.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, such factors as fluctuations in product demand, the introduction of new products, the Company's ability to maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, growth in targeted markets, risks of foreign operations, and other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.

Source: Diodes Incorporated

CONTACT: Crocker Coulson, Partner, Coffin Communications Group; (818) 789-0100
e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer, Diodes, Inc.; (805) 446-4800

Recent news releases, annual reports, and SEC filings are available at the Company's website: http://www.diodes.com. Written requests may be sent directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

EXHIBIT 99.28

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes, Inc. Announces Conference Call To Discuss Second Quarter Financial Results

Westlake Village, California -- July 18, 2001 -- Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, electronics and automotive industries, will host a conference call at 9 a.m. PDT (12 noon EDT) on Tuesday, July 31st to discuss results for the second quarter of FY 2001.

Joining C.H. Chen, President and CEO of Diodes, Inc., will be Mark King, Vice President of Sales and Marketing, and Carl Wertz, Chief Financial Officer. The Company plans to distribute its earnings announcement on Business Wire that same day at 6 a.m. PDT (9 a.m. EDT).

This conference call will be broadcast live over the Internet and can be accessed by all interested parties on the investor section of Diodes' website at www.diodes.com. To listen to the live call, please go to the Investor section of Diodes website and click on the Conference Call link at least fifteen minutes prior to the start of the call to register, download, and install any necessary audio software. For those unable to participate during the live broadcast, a replay will be available shortly after the call on Diodes website for 90 days.

About Diodes Incorporated

Diodes, Inc. (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, serving the communications, computer, electronics and automotive markets. The Company operates two Far East subsidiaries, Diodes-China (QS-9000 & ISO-14001 certified) in Shanghai and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China's manufacturing focus is on surface-mount devices destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. The Company's newly acquired 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, visit the Company's website at http://www.diodes.com.

Source: Diodes Incorporated

CONTACT: Crocker Coulson, Partner, Coffin Communications Group; (818) 789-0100 e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer, Diodes Incorporated; (805) 446-4800

Recent news releases, annual reports, and SEC filings are available at the Company's website: http://www.diodes.com. Written requests may be sent to Investor Relations, Diodes Incorporated, 3050 E. Hillcrest Drive, Westlake Village, CA 91362, or they may be e-mailed to: diodes-fin@diodes.com.

EXHIBIT 99.29

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes, Inc. Reports Second Quarter 2001 Results

Westlake Village, California, July 31, 2001 -- Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive industries, today reported financial results for the second quarter ended June 30, 2001.

Revenues for the second quarter were $21.0 million, a decrease of 36% as compared to $32.6 million for the comparable quarter in 2000. Net income for the same period decreased 88% to $525,000, as compared to $4.3 million for the three months ended June 30, 2000.

Diluted earnings per share were $0.06 for the second quarter of 2001, a decrease of 87% as compared to $0.46 per diluted share for the same period last year.

For the first six months of 2001, the Company earned $1.0 million, or $0.12 per diluted share, on revenues of $46.7 million, compared to net income of $7.5 million, or $0.81 per diluted share, on revenues of $60.0 million for the same period in 2000.

Commenting on the Company's financial results, C. H. Chen, President and Chief Executive Officer of Diodes, said, "In the second quarter, Diodes has continued to be challenged by one of the deepest, most rapid downturns in the history of the semiconductor industry. This turbulent market environment adversely impacted our sales, margins and product mix. I am pleased to report that management has taken swift and decisive action to adjust our cost structure and manage our working capital, such that the Company was able to report our forty-fifth consecutive quarter of profitability.

"Diodes has maintained our strategic focus on those issues we believe will drive our success over the next industry cycle. This includes maintaining our world-class customer service orientation, expanding our sales organization to reach markets such as Europe and mainland China, forming mutually beneficial alliances with industry leaders and developing new devices that apply innovative technology to solve our customers' needs."

Second Quarter Highlights:

Forty-fifth consecutive quarter of profitability with Q2 EPS of $0.06
Appointment of European sales manager
Restructured balance sheet increases financial flexibility

The Company's gross profit margin was 19.3% in the second quarter, as compared to 16.0% in the prior quarter and 32.2% in the second quarter of 2000. This decrease as compared to the prior year reflects reduced capacity utilization of the Company's manufacturing assets at both FabTech and Diodes-China and significant pricing pressure in all markets.

"Since becoming aware of the magnitude of this correction at the end of last year, Diodes has continued to look at every area of our organization for opportunities to adjust costs and increase efficiencies. We also made progress in reducing fixed costs and improving manufacturing yields at our wafer foundry. As a result, despite a sequential drop in market demand, we were able to improve our gross margin by over 3 percentage points," said Chen.

SG&A expenses were reduced by $1.8 million to 16.4% of net sales in the quarter compared to 16.2% in the second quarter of 2000, reflecting significant cost-saving initiatives to bring overhead expenses in-line with a reduced revenue base.

"During the second quarter, demand in North America remained weak, as distributors and OEM's continued to reduce inventory levels following several quarters of aggressive ordering to support what proved to be overly optimistic growth forecasts. By contrast, unit demand in the Asian market increased in Q2, but was accompanied by severe pricing pressures and a product shift towards lower-margin devices. We believe that there are some structural forces that are likely to create a more normalized demand picture by the end of the year, but given the significant uncertainty as to the timing of this event, we continue to manage for these contingencies."

"Even during this challenging period, Diodes has continued to maintain or increase market share, while laying the groundwork to penetrate new markets in geographic regions that we believe will be key to our future growth. We are pleased with our rapid progress in building a sales organization capable of winning customers in Europe. In addition, Diodes is forming a Hong Kong sales subsidiary that will facilitate entry into the China market. Most importantly, we have continued to build our research and development capability and new product pipeline, so as to develop devices that will deliver unique value to our customers and support sustainable, high margin programs. This is part of our strategy to position Diodes as a technology leader in discrete markets," said Chen.

Chen noted that Diodes generated cash flow from operations of $4.2 million in the first half of this year, in part attributable to a 25% decrease of inventories to $23.9 million from $31.8 million at the beginning of this year. In addition, the Company recently renegotiated payment terms on $10 million of the note assumed as part of the FabTech wafer foundry purchase from Lite-On Semiconductor Corp. (LSC), from 12 months to 36 months, reducing the current portion of this debt by $7.5 million. "With the existing credit facility, we believe the Company has sufficient liquidity to meet our foreseeable requirements," Chen concluded.

Join us for our conference call to be broadcast live at 9:00 am PDT (12 noon EDT) today, available via webcast at the investor section of Diodes' website at: www.diodes.com.

About Diodes Incorporated

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Source: Diodes Incorporated

CONTACT: Crocker Coulson, Partner, Coffin Communications Group; (818) 789-0100 e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer, Diodes, Inc.; (805) 446-4800

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CONSOLIDATED CONDENSED INCOME STATEMENT and BALANCE SHEET FOLLOWS

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	2001	2000	2001
NET SALES	$ 32,600,000	$ 21,001,000	$ 60,037,000	$ 46,749,000
Cost of Goods Sold	22,111,000	16,957,000	41,111,000	38,584,000
Gross profit	10,489,000	4,044,000	18,926,000	8,165,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,270,000	3,453,000	9,812,000	6,637,000
Income from operations	5,219,000	591,000	9,114,000	1,528,000
OTHER INCOME (EXPENSE)				
Interest income	143,000	69,000	195,000	136,000
Interest expense	(372,000)	(570,000)	(588,000)	(1,310,000)
Other	40,000	220,000	46,000	123,000
	(189,000)	(281,000)	(347,000)	(1,051,000)
Income before income taxes and minority interest	5,030,000	310,000	8,767,000	477,000
INCOME TAX BENEFIT (PROVISION)	(535,000)	260,000	(1,027,000)	689,000
Income before minority interest	4,495,000	570,000	7,740,000	1,166,000
MINORITY INTEREST IN JOINT VENTURE EARNINGS	(175,000)	(45,000)	(280,000)	(119,000)
NET INCOME	$ 4,320,000	$ 525,000	$ 7,460,000	$ 1,047,000
EARNINGS PER SHARE				
Basic	$ 0.54	$ 0.06	$ 0.93	$ 0.13
Diluted	$ 0.46	$ 0.06	$ 0.81	$ 0.12
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	8,072,885	8,143,318	8,029,413	8,139,501
Diluted	9,340,505	8,896,326	9,250,361	8,970,250

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS

	DECEMBER 31, 2000	JUNE 30, 2001 (UNAUDITED)
CURRENT ASSETS		
Cash	$ 4,476,000	$ 2,867,000
Accounts receivable		
Customers	19,723,000	19,267,000
Related parties	615,000	1,467,000
Other	26,000	--
	20,364,000	20,734,000
Less allowance for doubtful receivables	311,000	250,000
	20,053,000	20,484,000
Inventories	31,788,000	23,939,000
Deferred income taxes, current	4,387,000	4,382,000
Prepaid expenses and other current assets	686,000	912,000
Total current assets	61,390,000	52,584,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	45,129,000	47,569,000
DEFERRED INCOME TAXES, non-current	616,000	2,173,000
OTHER ASSETS		
Goodwill, net	5,318,000	5,463,000
Other	497,000	459,000
TOTAL ASSETS	$112,950,000	$108,248,000

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	DECEMBER 31, 2000	JUNE 30, 2001 (UNAUDITED)
CURRENT LIABILITIES		
Line of credit	$ 7,750,000	$ 8,055,000
Accounts payable		
Trade	10,710,000	6,234,000
Related parties	1,008,000	2,713,000
Accrued liabilities	8,401,000	5,472,000
Income taxes payable	1,370,000	329,000
Current portion of long-term debt		
Related party	11,049,000	3,240,000
Other	3,811,000	3,550,000
Total current liabilities	44,099,000	29,593,000
LONG-TERM DEBT, net of current portion		
Related party	2,500,000	10,000,000
Other	13,497,000	14,314,000
MINORITY INTEREST IN JOINT VENTURE	1,601,000	1,720,000
STOCKHOLDERS' EQUITY		
Class A convertible preferred stock - par value $1.00 per share; 1,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock - par value $0.66 2/3 per share; 30,000,000 shares authorized; 9,201,704 and 9,222,205 shares issued and outstanding at December 31, 2000 and June 30, 2001, respectively	6,134,000	6,148,000
Additional paid-in capital	7,143,000	7,224,000
Retained earnings	39,758,000	41,031,000
	53,035,000	54,403,000
Less:		
Treasury stock -- 1,075,672 shares of common stock, at cost	1,782,000	1,782,000
Total stockholders' equity	51,253,000	52,621,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$112,950,000	$108,248,000

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EXHIBIT 99.30

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Ranked Among Fortune's Fastest Growing Small Businesses

Westlake Village, California, July 10, 2001 -- Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, electronics and automotive industries, today announced that it has been named to Fortune's Small Business 100 list, a ranking of the fastest growing small businesses of the past three years.

Fortune compiles the list with the aid of Zacks Investment Research, on the basis of earnings growth, revenue growth and total stock return, including dividends in the three years leading up to December 31, 2000. Fortune's Small Business 100 are required to be publicly traded on a major stock market, with under $200 million in revenue for the year 2000, and must have been in business for over three years.

All the qualifying companies are then ranked according to growth of earnings, revenue and return. Each component is weighted equally. The results are then averaged to find the fastest growing companies.

Overall, Diodes ranked 92 on the basis of earnings, revenue and return. The Company reported earnings per share growth of 38.5%, placing it 68th in the field of 100, with net income of $14.9 million in 2000. Diodes' sales rose by 21.4% over the three-year period, with growth to $118.5 million in 2000, which earned it 83rd place in the ranking. Diodes' total return to shareholders during the period was 16.9%, ranking it 72nd in the listing. The complete list of Fortune's Small Business 100 is available at www.fortune.com.

"We are very gratified to be included in Fortune's Small Business 100 list," said C.H. Chen, President and CEO of Diodes, Inc. "The listing highlights Diodes' record of generating robust top- and bottom-line growth and shareholder returns, despite cyclical fluctuations in the discrete semiconductor industry." Diodes' customers include leading OEM's such as Intel, Microsoft, Scientific Atlanta, Motorola and Bose, as well as tier-one global distributors such as Arrow, Avnet and Future.

Mr. Chen noted that over the past nine years, Diodes' revenues have grown at a compounded annual growth rate (CAGR) of 26.1%, while net income has grown at a CAGR of 56.5%. Although results for 2001 will be lower than 2000 as a result of the present economic downturn in the electronics industry, Diodes' goal is to continue to outperform the industry.

"With the recent addition of a wafer foundry and research and development capability, we believe that Diodes is poised to build upon our past record of growth in the coming years. Our success has been built upon our commitment to the needs of our customers and to managing our business to build shareholder value," Mr. Chen concluded.

About Diodes Incorporated

Diodes, Inc. (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, serving the communications, computer, electronics and automotive markets. The Company operates two Far East subsidiaries, Diodes-China (QS-9000 & ISO-14001 certified) in Shanghai and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China's manufacturing focus is on surface-mount devices destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. The Company's newly acquired 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, visit the Company's website at http://www.diodes.com.

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Source: Diodes Incorporated

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e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer, Diodes, Inc.; (805) 446-4800

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EXHIBIT 99.31

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Among Fastest-Growing Technology Companies in Deloitte & Touche Fast 50 Program

Westlake Village, California, August 3, 2001 -- Diodes Incorporated (Nasdaq: DIOD), announced today that it has been named to Deloitte & Touche's prestigious "Los Angeles Technology Fast 50" program.

The Fast 50 is a regional ranking of the fastest-growing technology companies in 22 regions of the United States and Canada. Selection for the Fast 50 is based on a company's percentage of growth in revenues over the five-year period 1996-2000. To be considered, a company must show that it had 1996 operating revenues of at least $50,000 and 2000 operating revenues of at least $1 million.

Diodes Incorporated is a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive industries. Diodes' customers include leading OEM's such as Intel, Microsoft, Scientific Atlanta, Motorola, Delphi and Bose, as well as tier-one global distributors such as Arrow, Avnet and Future.

"We are delighted to be included in the Deloitte & Touche Fast 50," said C.H. Chen, President and CEO of Diodes Incorporated. "It is an honor to be named among this prestigious group of noteworthy companies in Southern California and is an affirmation of our commitment to establish Diodes as a truly world-class competitor in the discrete semiconductor industry."

Gary Dickey, Technology & Communications Partner at Deloitte & Touche, commented, "The Fast 50 recognizes and honors the fastest growing regional technology companies whose leaders have the vision and determination to deliver exemplary performance in an increasingly competitive high tech marketplace. Diodes, Inc. has proved that it is one such company and we at Deloitte & Touche salute its accomplishments."

Winners of the 22 regional Fast 50 programs in the United States are automatically entered in the Deloitte & Touche Technology Fast 500 program, which ranks the nation's top 500 fastest growing technology companies. For more information on the Deloitte & Touche Fast 50 or Fast 500 programs, visit the web site at www.us.deloitte.com.

About Diodes Incorporated

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Source: Diodes Incorporated

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e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer,
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EXHIBIT 99.32

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes, Inc. Launches Compact 4-Line Array Schottky Bus Terminator for High-Speed Data Systems QSBT40 offers significant space, reliability and cost advantages over monolithic arrays

Westlake Village, California -- August 7, 2001 -- Diodes Incorporated, (Nasdaq: DIOD) a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive industries, today announced the launch of a new quad data line Schottky bus terminator.

The QSBT40 is an innovative high-density array designed to protect the sensitive in/out ports of Time To Live (TTL) and Complementary Metal-Oxide Semiconductor (CMOS) integrated circuits from over voltages caused by induced electrical transients in accordance with IEC 1000-4-2/4/5. End applications standing to gain from improved protection include LAN/WAN equipment, set-top boxes, Ethernet connections and T1 Line cards.

The QSBT40 is also designed to provide bus termination with low capacitance for high-speed parallel data systems such as hard disk drives, DAT drives, disc arrays and network peripherals. The low capacitance device appears virtually transparent to the data signal, but is capable of effectively dissipating an over or under voltage to the VCC or ground rail during a voltage transient or a pulse reflection.

This SOT363 device is based on Diodes' unique Application Specific Multi-Chip Circuit ASMCC high-density implementation. A total of four data line terminators are mounted in one SOT363 surface mount package, with eight separate diodes arranged in four series-connected pairs. This compact 4-line array approach allows for a more effective and efficient layout distribution compared to traditional multi-line monolithic arrays. In addition, the packaging offers as much as a 10:1 board space reduction ratio compared to other discrete Schottky diodes, with a corresponding reduction in component placement costs.

C.H. Chen, CEO of Diodes Incorporated, said, "This new device signifies an exciting new phase in our continuing drive to position Diodes Incorporated as a technology leader for discrete devices. We continue to apply our high-density array packaging technology to deliver tangible performance, size and cost benefits to our customers. Initial customer reception in the area of high-speed data systems is very strong. We are determined to push the envelope in discrete design technology and introduce higher margin, must-have product lines and extend Diodes' competitive edge."

Pricing and Availability

Samples of the QSBT40 are available now in a 6-pin SOT-363 package, through Diodes' network of worldwide representatives and distributors. Lead-times on production quantities are stock to 4 weeks. The device is priced at $0.50 in 10,000 piece quantities, in standard tape and reel packaging.

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Source: Diodes Incorporated

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