

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended MARCH 31, 2000

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 No

The number of shares of the registrant's Common Stock, \$0.66 2/3 par value, outstanding as of April 21, 2000 was 6,078,356, including 717,115 shares of treasury stock.

THIS REPORT INCLUDES A TOTAL OF 27 PAGES
THE EXHIBIT INDEX IS ON PAGE 20

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors and Shareholders
Diodes Incorporated and Subsidiaries

We have reviewed the accompanying consolidated condensed balance sheet of Diodes Incorporated and subsidiaries as of March 31, 2000, and the related consolidated condensed statements of income and cash flows for the three months ended March 31, 2000. These financial statements are the responsibility of the management of Diodes Incorporated and subsidiaries.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated condensed financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Diodes Incorporated and subsidiaries as of December 31, 1999, and the related consolidated statements of income, stockholders' equity and cash flows for the year then ended not presented herein; and in our report dated January 28, 2000, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated condensed balance sheet as of December 31, 1999, is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Moss Adams LLP
Los Angeles, CA
May 4, 2000

PART I - FINANCIAL INFORMATION

ITEM 1 - CONSOLIDATED FINANCIAL INFORMATION

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS

	DECEMBER 31, 1999 -----	MARCH 31, 2000 ----- (UNAUDITED)
CURRENT ASSETS		
Cash	\$ 3,557,000	\$ 3,127,000
Accounts receivable		
Customers	14,962,000	17,381,000
Related party	90,000	52,000
Other	300,000	592,000
	-----	-----
	15,352,000	18,025,000
Less allowance for doubtful receivables	297,000	320,000
	-----	-----
	15,055,000	17,705,000
Inventories	16,575,000	18,915,000
Deferred income taxes, current	1,700,000	1,703,000
Prepaid expenses and other current assets	762,000	957,000
	-----	-----
Total current assets	37,649,000	42,407,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	20,909,000	22,953,000
ADVANCES TO RELATED PARTY VENDOR	2,561,000	2,608,000
DEFERRED INCOME TAXES, non-current	146,000	146,000
OTHER ASSETS		
Goodwill, net	969,000	958,000
Other	173,000	147,000
	-----	-----
TOTAL ASSETS	\$62,407,000 =====	\$69,219,000 =====

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

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	DECEMBER 31, 1999 -----	MARCH 31, 2000 ----- (UNAUDITED)
CURRENT LIABILITIES		
Line of credit	\$ 3,237,000	\$ 7,725,000
Accounts payable		
Trade	7,716,000	8,347,000
Related party	1,821,000	2,289,000
Accrued liabilities	5,782,000	4,782,000
Income taxes payable	878,000	343,000
Current portion of long-term debt	2,312,000	2,313,000
	-----	-----
Total current liabilities	21,746,000	25,799,000
DEFERRED COMPENSATION	57,000	59,000
LONG-TERM DEBT, net of current portion	4,672,000	3,924,000
MINORITY INTEREST IN JOINT VENTURE	959,000	1,064,000
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; 9,000,000 shares authorized; 6,005,521 and 6,076,856 shares issued and outstanding at December 31, 1999 and March 31, 2000, respectively	4,004,000	4,052,000
Additional paid-in capital	7,888,000	8,145,000
Retained earnings	24,863,000	27,958,000
	-----	-----
Less:		
Treasury stock - 717,115 shares of common stock at cost	1,782,000	1,782,000
	-----	-----
Total stockholders' equity	34,973,000	38,373,000
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$62,407,000 =====	\$69,219,000 =====

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

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

	THREE MONTHS ENDED MARCH 31,	
	1999	2000
NET SALES	\$ 16,032,000	\$ 27,437,000
COST OF GOODS SOLD	12,122,000	19,000,000
Gross profit	3,910,000	8,437,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,121,000	4,542,000
Income from operations	789,000	3,895,000
OTHER INCOME (EXPENSE)		
Interest income	62,000	52,000
Interest expense	(160,000)	(216,000)
Other	48,000	6,000
	(50,000)	(158,000)
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	740,000	3,737,000
PROVISION FOR INCOME TAXES	17,000	492,000
MINORITY INTEREST IN JOINT VENTURE EARNINGS	(33,000)	(105,000)
NET INCOME	\$ 690,000	\$ 3,140,000
EARNINGS PER SHARE		
BASIC	\$ 0.14	\$ 0.59
DILUTED	\$ 0.13	\$ 0.51
Number of shares used in computation		
Basic	5,047,237	5,323,963
Diluted	5,233,425	6,136,327

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

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

	THREE MONTHS ENDED MARCH 31,	
	1999	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 690,000	\$ 3,140,000
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	552,000	998,000
Minority interest earnings	129,000	105,000
Interest income accrued on advances to vendor	(48,000)	(47,000)
Changes in operating assets:		
Accounts receivable	(2,018,000)	(2,650,000)
Inventories	1,744,000	(2,340,000)
Prepaid expenses and other assets	(632,000)	(161,000)
Changes in operating liabilities:		
Accounts payable	974,000	1,099,000
Accrued liabilities	(265,000)	(1,043,000)
Income taxes payable	(169,000)	(535,000)
Net cash provided (used) by operating activities	957,000	(1,434,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(314,000)	(3,042,000)
Net cash used by investing activities	(314,000)	(3,042,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on line of credit, net	(362,000)	4,488,000
Net proceeds from the issuance of capital stock	--	305,000
Proceeds from (repayments of) long-term obligations	592,000	(747,000)
Net cash provided by financing activities	230,000	4,046,000
INCREASE (DECREASE) IN CASH	873,000	(430,000)
CASH AT BEGINNING OF PERIOD	2,415,000	3,557,000
CASH AT END OF PERIOD	\$ 3,288,000	\$ 3,127,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	\$ 99,000	\$ 216,000
Income taxes	\$ 580,000	\$ 1,030,000

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

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

NOTE A - BASIS OF PRESENTATION

The accompanying consolidated, condensed financial statements have been prepared in accordance with the instruction to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position and results of operations have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the calendar year ended December 31, 1999.

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

NOTE B - 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 \$1,703,000 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 income tax expense as a percentage of pre-tax income differs from the statutory combined federal and state tax rates. The primary reasons for this difference are (i) in accordance with Chinese tax policy, earnings of Diodes-China are not subject to tax for the first two years upon commencement of cumulative profitable operations, and (ii) earnings of Diodes-Taiwan are not subject to State income tax in the U.S.

Under Federal tax law, foreign earnings are taxed when funds are distributed by foreign subsidiaries to the parent Company. Through December 31, 1997, the Company had undistributed earnings at Diodes-Taiwan for which no deferred income tax liability had been recorded since, at that time, management considered this investment to be permanent, and no plans or intentions existed to distribute the capital of its Taiwan subsidiary. Changes in Taiwan income tax policies in 1998 caused management to reconsider its investment strategies in the fourth quarter of 1998 for current and future earnings at Diodes-Taiwan. While a portion of its investment will remain in Taiwan, a total distribution of approximately \$4.5 million will be made by Diodes-Taiwan to the Company. Approximately \$1.5 million was distributed in 1999, and the remaining is scheduled to be distributed in 2000. The decision was made, in part, because the changes in Taiwan income tax policies made it less favorable to accumulate earnings at Diodes-Taiwan and, in part, to allow the Company to redirect its financial resources from Diodes-Taiwan to its expansion of Diodes-China.

NOTE C - ADVANCES TO RELATED PARTY VENDOR

Under a compensation-trade agreement the Company has advanced \$2.5 million in cash to a related party vendor, FabTech Incorporated ("FabTech"), a wholly owned subsidiary of Lite-On Power Semiconductor Corporation ("LPSC"). Interest accrues monthly at LIBOR plus 1.1%. Outstanding principal and accrued interest as of March 31, 2000 totaled \$2,608,000.

Amounts advanced, including interest, are payable through February 2001 when any outstanding balances become due on demand, and are secured by FabTech's accounts receivable. The compensation-trade agreement allows the Company to recover interest and principal due by deducting a fixed amount (\$10.00) per unit for products (silicon wafers) purchased from FabTech. FabTech may also repay its debt in cash. As of March 31, 2000, the Company has collected \$600,000 in cash on the note, and expects this note to be collected, including interest, no later than February 2001, according to the terms of the agreement.

NOTE D - SEGMENT INFORMATION

Information about the Company's operations in the United States, Taiwan, and China 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, Vice President of Sales and Marketing, Chief Financial Officer, and Vice President of Far East Operations. The operating segments are managed separately because each operating segment represents a strategic business unit whose function and purpose differs from the other segments.

For financial reporting purposes, the Company is deemed to operate in three separate segments: North America, Taiwan, and China. All three segments focus on discrete semiconductor devices. The North American segment procures and distributes products primarily throughout North America and provides management, warehousing and engineering support to the other two segments. The Taiwan segment procures product from, and manufactures and distributes product primarily to, companies in Taiwan, Korea, Singapore, and Hong Kong. This segment also procures product for, and manufactures and distributes product to, the Company's North American operations. The China segment manufactures product for, and distributes product to, both the North American and Taiwan segments. In 1997, the China segment began manufacturing product for, and distributing product to, customers in China and the U.S.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on stand-alone operating segment income. Revenues are attributed to geographic areas based on the location of the market producing the revenues.

THREE MONTHS ENDED MARCH 31, 1999	Shanghai KaiHong Electronics (China)	Diodes-Taiwan Corporation, Ltd. (Taiwan)	Diodes Incorporated (United States)	Consolidated Segments
Total sales	\$ 2,014,000	\$ 8,084,000	\$ 10,099,000	\$ 20,197,000
Inter-segment sales	(1,450,000)	(2,071,000)	(644,000)	(4,165,000)
Net sales	\$ 564,000	\$ 6,013,000	\$ 9,455,000	\$ 16,032,000
Depreciation and amortization	\$ 467,000	\$ 14,000	\$ 71,000	\$ 552,000
Interest expense (income), net	\$ 12,000	\$ 2,000	\$ 84,000	\$ 98,000
Income tax provision (benefit)	\$ --	\$ 304,000	\$ (287,000)	\$ 17,000
Net income (loss)	\$ 624,000	\$ 474,000	\$ (408,000)	\$ 690,000
Segment assets	\$ 15,472,000	\$ 12,875,000	\$ 18,631,000	\$ 46,978,000

THREE MONTHS ENDED MARCH 31, 2000 -----	Shanghai KaiHong Electronics (China) -----	Diodes-Taiwan Corporation, Ltd. (Taiwan) -----	Diodes Incorporated (United States) -----	Consolidated Segments -----
Total sales	\$ 6,629,000	\$ 15,684,000	\$ 15,691,000	\$ 38,004,000
Inter-segment sales	(5,280,000)	(4,618,000)	(669,000)	(10,567,000)
Net sales	\$ 1,349,000	\$ 11,066,000	\$ 15,022,000	\$ 27,437,000
Depreciation and amortization	\$ 857,000	\$ 46,000	\$ 95,000	\$ 998,000
Interest expense (income), net	\$ (3,000)	\$ 2,000	\$ 165,000	\$ 164,000
Income tax provision (benefit)	\$ --	\$ 655,000	\$ (163,000)	\$ 492,000
Net income (loss)	\$ 1,990,000	\$ 1,390,000	\$ (240,000)	\$ 3,140,000
Segment assets	\$ 28,119,000	\$ 18,956,000	\$ 22,144,000	\$ 69,219,000

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 automotive, electronics, computing and telecommunications industries. The Company's products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, diodes, rectifiers and bridges.

The Company's products are sold primarily in North America and Asia, both directly to original equipment manufacturers ("OEMs") (55% of total sales for the three months ended March 31, 2000) and through electronic component distributors (45% of total sales for the three months ended March 31, 2000). For the three months ended March 31, 2000, approximately 55% and 45% of the Company's products were sold in North America and the Far East, respectively. For the twelve months ended December 31, 1999, approximately 56% and 44% of the Company's products were sold in North America and the Far East, respectively, compared to 71% and 29% in 1998, respectively. The increase in the percentage of sales in the Far East is expected to continue, as the Company believes there is greater potential to increase market share in that region.

For financial reporting purposes, the Company is deemed to engage in three industry segments: North America, Taiwan, and China. All three segments focus on discrete semiconductor devices. The North American segment procures and distributes products primarily throughout North America and provides management, warehousing and engineering support. The Taiwan segment procures product from, and manufactures and distributes product primarily to, companies in Taiwan, Korea, Singapore, and Hong Kong. This segment also procures product for, and manufactures and distributes product to the Company's North American operations. The China segment manufactures product for, and distributes product to, both the North American and Taiwan segments. In 1997, the China segment began manufacturing product for, and distributing product to, customers in China and North America.

See Note D of "Notes to Consolidated Financial Statements" for a description of the Company's adoption of SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information.

In July 1997, Vishay Intertechnology, Inc. ("Vishay") and the Lite-On Group, a Taiwanese consortium, formed a joint venture -- Vishay/Lite-On Power Semiconductor Pte., LTD. ("Vishay/LPSC") -- to acquire Lite-On Power Semiconductor Corp. ("LPSC"), the Company's largest shareholder and a member of the Lite-On Group of the Republic of China. Vishay is the largest U.S. and European manufacturer of passive electronic components and a major producer of discrete semiconductors and power integrated circuits. The Lite-On Group, with worldwide sales of almost \$2 billion, is a leading manufacturer of power semiconductors, computer peripherals, and communication products.

In March 2000, Vishay agreed to sell its 65% interest in the Vishay/LPSC joint venture to the Lite-On Group, the 35% owner. Because of this transaction, the Lite-On Group, through LPSC, its wholly-owned subsidiary, indirectly owns approximately 38% of the Company's Common Stock. The Company considers its relationship with LPSC to be mutually beneficial and the Company and LPSC will continue its strategic alliance as it has since 1991. The Company will continue to compete, as it always has, with Vishay's Telefunken division. The overlap in comparable products is insignificant and is not expected to have any material impact on the financial results of the Company.

Products are currently sold under two brand names: Diodes, Inc. and Vishay/Lite-On Power Semiconductor. The Company is unifying product lines under a limited number of brand names in order to establish brand name unity and consistency of product, and to capitalize on brand name recognition, where possible. Although customers continue to recognize Diodes brand products and view the Company as a separate vendor from Vishay, at this time it is uncertain as to the effect that the Vishay/LPSC transaction will have on brand recognition or major distributors. However, management believes that with the Company's competitive pricing, internal manufacturing capabilities and capacity, customer/applications engineering, and strong customer service reputation, it has proven itself to be a valuable supplier, and as such the impact of the Vishay/LPSC transaction is not anticipated to have a material adverse impact on customer relations.

In March 2000, the Company appointed C.H. Chen as President and Chief Executive Officer, replacing Michael Rosenberg who left the Company to pursue other interests. From 1969 to 1990, Mr. Chen held various positions at Texas Instruments, most recently as Vice President of Texas Instruments-Taiwan. In 1990, he left Texas Instruments to found Dyna Image Corp., a Lite-On Group company (now listed on the Taiwan OTC market) that has become the world's leading supplier of contact image sensors (CISs), which are key components in facsimile machines and scanners. Mr. Chen is currently the Vice Chairman and President of Dyna Image Corp.

The Company's Far East subsidiaries, Diodes-Taiwan and Diodes-China, both manufacture product for sale to North America and the Far East. Diodes-Taiwan's manufacturing focuses on products such as axial Schottky and MELF rectifiers. These "general use" products are destined for end products in the automotive industry as well as for use in commercial appliances, household lighting, and electric hand tools, among others. Diodes-China's manufacturing primarily focuses on SOT-23 and SOD-123 products. These surface mount devices ("SMDs") are used in the computer and telecommunications industries and are destined for notebook computers, pagers, PCMCIA cards, modems, and garage door transmitters, among others. 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.

The discrete semiconductor industry has, for the last several years, been subject to severe pricing pressures, compounded by the Asian economic situation. Although manufacturing costs generally decreased during this period, excess manufacturing capacity and over-inventory caused selling prices to fall at a greater rate than manufacturing costs. Because of this competitive environment, gross profit margins declined from 28.3% in 1995 to 26.4% in 1999. Beginning in the second half of 1999, manufacturing profit from Diodes-China coupled with an apparent easing of pricing pressures contributed to a gross profit margin of 30.8% as of March 31, 2000. There can be no assurance that these improved margins can be maintained or improved upon in the future.

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' representative firms and distributors, have also been added in the U.S. and the Far East to help satisfy customers' requirements. In addition, the Company has developed relationships with major distributors who inventory and sell the Company's products.

Beginning in 1998, the Company increased the amount of product shipped to larger distributors. Although these sales were significant in terms of total sales dollars and gross margin dollars, they generally were 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.

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 \$25 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.

In December 1999, the Company announced it would invest an additional \$6.5 million in Diodes-China to expand its manufacturing capacity by approximately 65%. The additional expansion, to be financed with cash flow and existing credit facilities, is expected to be completed by mid-2000. In April 2000, the Company announced an additional investment of \$9 million in Diodes-China that is expected to be in full production by the first quarter of 2001. These investments will bring the total property, plant and equipment at the manufacturing facility to approximately \$40 million. Approximately \$8.0 million of the Company's existing credit facility has been used to finance the additional manufacturing capacity. 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.

The Company intends to 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, Diodes-China and other 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.

In 1999, Diodes-Taiwan began purchasing silicon wafers, a new product line, from FabTech for resale to customers in the Far East. Diodes-Taiwan also purchases wafers from LPSC. Silicon wafer sales for the three months ended March 31, 2000 were \$2,406,000 compared to \$495,000 for the same period in 1999. Wafer sales for the twelve months ended December 31, 1999 were \$4,005,000. The gross margin percentage on sales of silicon wafers, though still profitable, is far below that of the Company's standard product lines. Silicon wafer sales are a complementary service for some customers, rather than a focused product line. It is anticipated that sales of silicon wafers may not continue beyond the second half of 2000 as the Company evaluates other, more profitable complementary products.

Products from foreign suppliers are purchased primarily in United States dollars. To a limited extent, and from time to time, the Company contracts in foreign currencies (e.g., a portion of the equipment purchases for the Diodes-China expansion), and, accordingly, its results of operations could be materially affected by fluctuations in currency exchange rates. Due to the limited number of contracts denominated in foreign currencies and the complexities of currency hedges, the Company has not engaged in hedging to date. If the

volume of contracts written in foreign currencies increases, and the Company does not engage in currency hedging, a substantial increase in the relative value of such currencies could have a material adverse effect on the Company's results of operations. Management believes that the current contracts written in foreign currencies are not significant enough to justify the costs inherent in currency hedging.

The Company's effective tax rate decreased to 13.2% for the three months ended March 31, 2000 from 19.3% for the twelve months ended December 31, 1999 and from 36.0% for the same period in 1998. The decrease in the Company's effective tax rate is due primarily to the increase in Diodes-China's contribution to net income at a tax rate of 0% through year 2000. From 2001 through 2003, Diodes-China will be taxed at 13.5% (one-half of the current Chinese tax rate) and then at 27% thereafter. Based upon tax rates in the U.S. and Taiwan and the expected profitability of each of the Company's three business segments during the balance of the year, it is anticipated that for the twelve months of 2000, the consolidated provision for income taxes will be in the range of 10-20% of pre-tax income.

The Company has conducted a comprehensive review of its computer systems to identify the systems that could be affected by the Year 2000 Issue ("Y2K"). The total cost of Y2K compliance was not considered a material expense, and currently, no significant operational problems for the Company's computer systems occurred as a result of Y2K. However, if problems surface that have not yet been identified that will require substantial time and resources to remedy, they could have a material adverse effect on the Company's business.

Net Sales, Cost of Goods Sold and Other Income for the three months ended March 31, 1999 have been restated to be consistent with the current presentation of certain transactions. In the past, profit realized on drop shipments from Diodes-Taiwan was accounted for as "Commission Income" under "Other Income". These shipments (which are expected to become an increasingly significant part of the Company's business) are now included in "Net Sales", with an appropriate charge to "Cost of Goods Sold". The income derived from these transactions is now included in Gross Profit. These changes have no effect on Net Income and Earnings per Share. The increase to Net Sales and Gross Profit, and the decrease in Other Income for the three months ended March 31, 1999 was \$420,000, \$104,000, and \$104,000, respectively. In addition, Minority Interest in Joint Venture Earnings is presented after Provision for Income Taxes as per Rule 5-03(b)12 of Regulation S-X.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND 2000

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 MARCH 31,		PERCENTAGE DOLLAR INCREASE (DECREASE)
	1999 -----	2000 -----	'99 TO '00 -----
Net sales	100.0%	100.0%	71.1%
Cost of goods sold	(75.6)	(69.2)	56.7
Gross profit	24.4	30.8	115.8
Selling, general & administrative expenses ("SG&A")	(19.5)	(16.6)	45.5
Income from operations	4.9	14.2	393.7
Interest expense, net	(0.6)	(0.6)	67.3
Other income	0.3	0.0	(87.5)
Income before taxes	4.6	13.6	405.0
Income taxes	0.1	1.8	2,794.1
Minority interest	(0.2)	(0.4)	218.2
Net income	4.3 =====	11.4 =====	355.1 =====

The following discussion explains in greater detail the consolidated operating results and financial condition of the Company for the three months ended March 31, 2000 compared to the three months ended March 31, 1999. This discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

	1999 -----	2000 -----
NET SALES	\$16,032,000	\$27,437,000

Net sales increased approximately \$11.4 million, or 71.1%, for the three months ended March 31, 2000 compared to the same period last year, due primarily to a 59.3% increase in units sold, as a result of an increased demand for the Company's products, primarily in North America. Diodes-China contributed trade sales of \$1.3 million, compared to \$564,000 in the same period last year. The Company's average selling price ("ASP") increased 6.6% over the same period, primarily in the Far East, but decreased 3.1% from the fourth quarter of 1999. The Company anticipates these pricing pressures could continue for the balance of the year, though the severity should slowly diminish. In 1999, Diodes-Taiwan began purchasing silicon wafers, a new product line, from FabTech, among others, for resale in the Far East. Sales totaling \$2.2 million of silicon wafers compared to \$495,000 in the same period last year also contributed to the increase in sales. It is anticipated that sales of silicon wafers may not continue beyond the second half of 2000 as the Company evaluates other, more profitable complementary products.

	1999 -----	2000 -----
COST OF GOODS SOLD	\$12,122,000	\$19,000,000
GROSS PROFIT	\$3,910,000	\$ 8,437,000
GROSS PROFIT MARGIN PERCENTAGE	24.4%	30.8%

Gross profit increased approximately \$4.5 million, or 115.8%, for the three months ended March 31, 2000 compared to the same period last year. Of the \$4.5 million increase, approximately \$2.7 million was due to the 71.1% increase in sales, while \$1.8 million was due to the increase in gross margin percentage from 24.4% to 30.8%. Manufacturing profit at Diodes-China contributed to the increase in gross margin percentage. Although gross profit margins strengthened in the first quarter of 2000, pricing pressures continue to exist on many of the Company's product lines, and there can be no assurance that margins will continue to improve or be maintained.

	1999 -----	2000 -----
SG&A	\$3,121,000	\$4,542,000

SG&A for the three months ended March 31, 2000 increased approximately \$1.4 million, or 45.5%, compared to the same period last year, due primarily to separation compensation paid to the former President and Chief Executive Officer in March 2000. Increases in wage/benefits expenses due to additional sales and engineering personnel, higher marketing and advertising expenses, and increased sales commissions also contributed to the increase in SG&A. SG&A as a percentage of sales decreased to 16.6% from 19.5% in the comparable period last year.

	1999 -----	2000 -----
INTEREST INCOME	\$ 62,000	\$ 52,000
INTEREST EXPENSE	\$160,000	\$216,000
NET INTEREST EXPENSE	\$ 98,000	\$164,000

Net interest expense for the three months ended March 31, 2000 increased \$66,000 versus the same period last year, due primarily to an increase use of the Company's credit facility (at higher interest rates) to support the expansion of Diodes-China. The Company's interest expense is primarily the result of the term loan by which the Company is financing (i) the investment in the Diodes-China manufacturing facility and (ii) the \$2.6 million, including accrued interest, advanced to FabTech. Interest income is primarily the interest charged to FabTech, under the Company's formal loan agreement, as well as earnings on its cash balances.

	1999 -----	2000 -----
OTHER INCOME	\$48,000	\$6,000

Other income for the three months ended March 31, 2000 decreased approximately \$42,000 compared to the same period last year, due primarily to currency exchange fluctuation at the Company's subsidiaries in Taiwan and China.

	1999 -----	2000 -----
--	---------------	---------------

PROVISION FOR INCOME TAXES

\$17,000

\$492,000

The Company's overall effective federal, state, and foreign tax rate increased to 13.2% for the three months ended March 31, 2000 from 2.3% in the comparable period last year. Diodes-China will continue to benefit from 0% tax for the remainder of year 2000. From 2001 through 2003, Diodes-China will be taxed at 13.5% (one-half of the current Chinese tax rate) and at 27% thereafter. Based upon tax rates in the U.S. and Taiwan and the expected profitability of each of the Company's three business segments during the balance of the year, it is

anticipated that for the twelve months of 2000, the consolidated provision for income taxes will be in the range of 10-20% of pre-tax income.

	1999 -----	2000 -----
MINORITY INTEREST IN JOINT VENTURE	\$(33,000)	\$(105,000)

Minority interest in joint venture represents the minority investor's share of the Diodes-China joint venture's income for the period. The increase in the joint venture earnings for the three months ended March 31, 2000 is primarily the result of increased sales, both internal 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 March 31, 2000, the Company had a 95% controlling interest in the joint venture.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Cash used by operating activities for the three months ended March 31, 2000 was \$1.4 million compared to cash provided of \$957,000 for the same period in 1999. The primary sources of cash flows from operating activities in 2000 were net income of \$3.1 million and an increase in accounts payable of \$1.1 million. The primary use of cash flows from operating activities in 2000 was an increase in accounts receivable of \$2.7 million and an increase in inventories of \$2.3 million. The primary sources of cash flows from operating activities for the three months ended March 31, 1999 were a decrease in inventories of \$1.7 million and an increase in accounts payable of \$974,000, while the primary use was a \$2.0 million increase in accounts receivable.

Since December 31, 1999, accounts receivable from customers has increased 16.2% due primarily to a slowing trend in payments from major distributors. The Company does not expect this trend to result in additional bad debt expense. The Company continues to closely monitor its credit policies, while at times providing more flexible terms, primarily to its Asian customers, when necessary. The ratio of the Company's current assets to current liabilities on March 31, 2000 was 1.64 to 1, compared to a ratio of 1.73 to 1 on December 31, 1999.

Cash used by investing activities was \$3.0 million as of March 31, 2000, compared to \$314,000 during the same period in 1999. The primary investment in both years was for additional manufacturing equipment at the Diodes-China manufacturing facility.

Cash provided by financing activities was \$4.0 million for the three months ended March 31, 2000, compared to \$230,000 for the same period in 1999. In March 1998, the Company amended an August 1996 loan agreement whereby the Company obtained a \$23.1 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 \$14 million for plant expansion, advances to vendors, and letters of credit for Diodes-China. 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 March 31, 2000. The Company is in the process of extending its working capital line of credit, which expires June 30, 2000. As of March 31, 2000, approximately \$6.1 million is outstanding under the term note commitment, and the average interest rate on outstanding borrowings was approximately 7.1%.

The Company has used its credit facility primarily to fund the advances to Diodes-China and FabTech as well as to support its operations. At March 31, 2000, amounts due from FabTech, including accrued interest, are approximately \$2.6 million, and the entire amount is due February 2001. 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.

In January 2000, the Company entered into an intercompany loan agreement with Diodes-China for up to \$6.0 million. The interest rate charged by the Company will be equal to the Company's borrowing rate. Diodes-China will repay the loan by installment payments as cash flow allows, however, the total outstanding balance, including accrued interest, will be payable in full on or before December 31, 2003.

Total working capital increased approximately 4.4% to \$16.6 million as of March 31, 2000, from \$15.9 million as of December 31, 1999. The Company believes that such working capital position will be sufficient for growth opportunities.

The Company's long-term debt to equity ratio decreased to 0.16 at March 31, 2000, from 0.20 at December 31, 1999. The Company's total debt to equity ratio increased to 0.78 at March 31, 2000, from 0.77 at December 31, 1999. It is anticipated that these ratios may increase as the Company continues to use its credit facilities to fund additional sourcing and manufacturing opportunities.

As of March 31, 2000, the Company has no material plans or commitments for capital expenditures other than in connection with the expansion at Diodes-China. However, to ensure that the Company can secure reliable and cost effective sourcing to support and better position itself for growth, the Company is continuously evaluating additional 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.

FACTORS THAT MAY AFFECT FUTURE RESULTS

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.

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.

There are many factors that could cause the events in such forward looking statements to not occur, including but not limited to:

- - general or specific economic conditions
- - fluctuations in product demand
- - introduction of new products
- - Company's ability to maintain customer relationships
- - technological advancements
- - impact of competitive products and pricing
- - change in growth in targeted markets

- - risks of foreign operations such as Diodes-China and Diodes-Taiwan
- - ability and willingness of the Company's customers to purchase products provided by the Company
- - perceived absolute or relative overall value of these products by the purchasers, including the features, quality, and price in comparison to other competitive products
- - level of availability of products and substitutes and the ability and willingness of purchasers to acquire new or advanced products
- - pricing, purchasing, financing, operational, advertising and promotional decisions by intermediaries in the distribution channels which could affect the supply of or end-user demands for the Company's products
- - amount and rate of growth of the Company's selling, general and administrative expenses
- - difficulties in obtaining materials, supplies and equipment
- - difficulties or delays in the development, production, testing and marketing of products
- - failure to ship new products and technologies when anticipated
- - failure of customers to accept these products or technologies when planned
- - defects in products
- - any failure of economies to develop when planned
- - acquisition of fixed assets and other assets, including inventories and receivables
- - making or incurring of any expenditures
- - effects of and changes in trade, monetary and fiscal policies, laws and regulations
- - other activities of governments, agencies and similar organizations
- - changes in social and economic conditions, such as trade restriction or prohibition, inflation and monetary fluctuation, import and other charges or taxes, especially at Diodes-China and Diodes-Taiwan
- - ability or inability of the Company to obtain or hedge against foreign currency
- - foreign exchange rates and fluctuations in those rates
- - intergovernmental disputes
- - developments or assertions by or against the Company relating to intellectual property rights
- - adaptations of new, or changes in, accounting policies and practices in the application of such policies and practices and the effects of changes within the Company's organization
- - changes in compensation benefit plans
- - activities of parties with which the Company has an agreement or understanding, including any issues affecting any investment or joint venture in which the Company has an investment
- - amount, and the cost of financing which the Company has, and any changes to that financing
- - the sale of Vishay's 65% ownership in Vishay/LPSC to LPSC
- - any other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.

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

There are no matters to be reported under this heading.

ITEM 5. OTHER INFORMATION

There are no matters to be reported under this heading.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 11	Computation of Earnings Per Share
Exhibit 27	Financial Data Schedule
Exhibit 99.1	Press release; Diodes Comments on Vishay/ LPSC Announcement
Exhibit 99.2	Press release; Diodes Incorporated Announces Appointment of New President and Chief Executive Officer
Exhibit 99.3	Press release; Diodes Incorporated to Invest Additional \$9 Million in Manufacturing Facility
Exhibit 99.4	Press release; Diodes Incorporated Reports Record Quarterly Revenues and Earnings

(b) Reports on Form 8-K

None

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

May 10, 2000

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

INDEX TO EXHIBITS

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EXHIBIT - 11

DIODES INCORPORATED AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
(Unaudited)

	THREE MONTHS ENDED MARCH 31,	
	1999	2000
BASIC		
Weighted average number of common shares outstanding used in computing basic earnings per share	5,047,237	5,323,963
Net income	\$ 690,000	\$3,140,000
Basic earnings per share	\$ 0.14	\$ 0.59
DILUTED		
Weighted average number of common shares outstanding used in computing basic earnings per share	5,047,237	5,323,963
Assumed exercise of stock options	186,188	812,364
Net income	\$ 690,000	\$3,140,000
Diluted earnings per share	\$ 0.13	\$ 0.51

3-MOS
 DEC-31-2000
 JAN-01-2000
 MAR-31-2000
 3,127,000
 0
 18,025,000
 320,000
 18,915,000
 42,407,000
 29,666,000
 6,713,000
 69,219,000
 25,799,000
 0
 4,052,000
 0
 0
 34,321,000
 69,219,000
 27,437,000
 27,437,000
 19,000,000
 4,542,000
 0
 0
 164,000
 3,737,000
 492,000
 3,140,000
 0
 0
 0
 3,140,000
 0.59
 0.51

EXHIBIT 99.1

Michael Rosenberg, President
Diodes Incorporated
(805) 446-4800

Philip Bourdillon
Silverman Heller Associates
(310) 208-2550

DIODES COMMENTS ON VISHAY/LPSC ANNOUNCEMENT

Westlake Village, California -- March 28, 2000 -- Diodes Incorporated (Amex: DIO), a manufacturer of discrete semiconductors, today commented on yesterday's announcement by Vishay Intertechnology, Inc. (NYSE: VSH) that it has agreed to sell its 65% interest in Lite-On Power Semiconductor Corporation ("LPSC") to Lite-On JV Corporation ("Lite-On Group") in a transaction that is expected to close before September 30, 2000.

LPSC has been Diodes' largest shareholder since 1991 and is member of the Lite-On Group, a leading manufacturer of power semiconductors, computer peripherals, and communication products. In July 1997, Vishay and the Lite-On Group, a Taiwanese consortium, formed a joint venture ("Vishay/LPSC") to acquire LPSC.

Diodes' long-standing relationship with LPSC, which currently holds approximately 38% of the Company's Common Stock, is anticipated to be unaffected by the transaction, said Michael Rosenberg, President and CEO of Diodes Incorporated. "Although we have enjoyed the relationship with Vishay and believe it to have been mutually beneficial," said Rosenberg, "we are looking forward to continued support from the manufacturing base of the Lite-On Group."

"Our customers continue to recognize Diodes' brand products and view the Company as a separate vendor from Vishay," Mr. Rosenberg continued, "and management believes that with the Company's competitive pricing, internal manufacturing capabilities and capacity, customer/applications engineering, and strong customer service reputation, it has proven itself to be a valuable supplier. Accordingly, the Vishay/LPSC transaction is not anticipated to have a materially adverse impact on customer relations."

Pursuant to the Vishay/Lite-On transaction, three members of the Company's Board of Directors Eugene R. Conahan, Erich E. Schaedlich, and William J. Spires, each an employee of Vishay have resigned effective March 27, 2000.

Mr. Rosenberg added that first-quarter 2000 financial results are expected to substantially exceed fourth-quarter 1999 results, which were the strongest in the Company's history.

Diodes Incorporated (Amex: DIO) manufactures high-quality discrete semiconductor devices and provides customer support to leading manufacturers in the automotive, electronics, computing and telecommunications industries. Through the Company's ISO-9000 and QS-9000 certified manufacturing facilities located in Shanghai, China and Taipei, Taiwan, Diodes' products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, Schottkys, diodes, rectifiers and bridges. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California.

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.

Recent news releases, annual reports, and SEC filings are available at the Company's web site: <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 99.2

For Immediate Release
Contact: Philip Bourdillon
Silverman Heller Associates
(310) 208-2550

DIODES INCORPORATED ANNOUNCES APPOINTMENT OF NEW PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Westlake Village, California -- March 30, 2000 --- Diodes Incorporated (Amex: DIO) today announced that it has appointed C.H. Chen as president and chief executive officer of the Company.

The appointment of Mr. Chen, who has more than three decades experience in the semiconductor industry, follows the resignation of Michael Rosenberg, who has left the Company to pursue other interests. While expressing regret at Mr. Rosenberg's departure, Raymond Soong, chairman of Diodes Incorporated, said he was delighted that an individual of Mr. Chen's caliber and experience has accepted the position. With his extensive experience, said Mr. Soong, Mr. Chen is superbly qualified to oversee the continuing advancement of the Company's technology and the enhancement of its customer base.

From 1969 to 1990, Mr. Chen held various positions at Texas Instruments, most recently as vice president of Texas Instruments-Taiwan. In 1990, he left Texas Instruments to found Dyna Image Corp., a Lite-On Group company (now listed on the Taiwan OTC market) that has become the world's leading supplier of contact image sensors (CISs), which are key components in fax machines and scanners. Mr. Chen is currently the vice chairman and president of Dyna Image Corp.

As recently announced, the Lite-On Group (a Taiwanese consortium with business interests worldwide) has agreed to repurchase from Vishay Intertechnology, Inc. (NYSE: VSH) the latter's interest in Lite-On Power Semiconductor Corporation ("LPSC"). Since 1991, LPSC, which currently owns approximately 38% of Diodes' common stock, has been a major shareholder in the Company.

Diodes Incorporated manufactures high-quality discrete semiconductor devices and provides customer support to leading manufacturers in the automotive, electronics, computing and telecommunications industries. Through the Company's ISO-9000 and QS-9000 certified manufacturing facilities located in Shanghai, China and Taipei, Taiwan, Diodes' products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, diodes, rectifiers and bridges. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California.

EXHIBIT 99.3

Philip Bourdillon
Silverman Heller Associates
(310) 208-2550

Carl Wertz, CFO
Diodes Incorporated
(805) 446-4800

DIODES INCORPORATED TO INVEST ADDITIONAL \$9 MILLION IN MANUFACTURING FACILITY

Westlake Village, California -- April 6, 2000 --- Diodes Incorporated (Amex: DIO) today reported that it will invest an additional \$9 million in its manufacturing facility in China.

Today's announcement, which brings the Company's total investment in plant and equipment in Diodes-China to almost \$40 million, will be financed with cash flow and existing credit facilities. Based upon the current backlog experienced by equipment manufacturers, the expansion is scheduled for completion by the end of 2000, with full production expected in the first quarter 2001.

C.H. Chen, President and Chief Executive Officer of Diodes, noted that this additional expansion is expected to increase capacity by an additional 30% and will include "next generation" sub-miniature components such as SC-70, SC-75, and SC-79. Mr. Chen stated: "Demand is such that our 1999 expansion of \$11 million is sold-out, thus requiring this \$9 million expansion. In addition, I am pleased to confirm that our 1999 expansion is on target and is expected to be at full capacity by mid-year 2000."

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.

Diodes Incorporated manufactures high-quality discrete semiconductor devices and provides customer support to leading manufacturers in the automotive, electronics, computing and telecommunications industries. Through the Company's ISO-9000 and QS-9000 certified manufacturing facilities located in Shanghai, China and Taipei, Taiwan, Diodes' products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, diodes, rectifiers and bridges. The Company's ISO-9000 corporate sales, marketing, engineering, and logistics headquarters is located in Southern California.

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Recent news releases, annual reports, and SEC filings are available at the Company's web site: <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 99.4

For Immediate Release
Philip Bourdillon
Silverman Heller Associates
(310) 208-2550

Carl Wertz, CFO
Diodes Incorporated
(805) 446-4800

DIODES INCORPORATED REPORTS RECORD QUARTERLY REVENUES AND EARNINGS

Westlake Village, California - April 27, 2000 - Diodes Incorporated (Amex: DIO), a manufacturer and supplier of discrete semiconductors to the automotive, electronics, computing and telecommunications industries, today reported record revenues and net income for its first quarter ended March 31, 2000.

Net sales for the quarter ended March 31, 2000 increased 71% to \$27.3 million, the highest quarterly sales in the Company's history, compared to \$16.0 million in the same period last year. Net income rose 349% to \$3.1 million, or \$0.51 per diluted share, also the highest quarterly results in the Company's history, compared to \$690,000, or \$0.13 per diluted share, in the first quarter of 1999.

C.H. Chen, President and CEO of Diodes Incorporated, credited the record sales to a combination of stronger unit demand and more stable average sales prices. Mr. Chen attributed the improvement in gross margin to 31.0% from 24.4% a year ago to strengthened sales prices and the \$4.5 million expansion announced last summer in the Company's manufacturing facility in Shanghai, China. "We are pleased with the success of the \$4.5 million investment," said Mr. Chen, "and we look forward to the contribution to margins when our \$6.5 million expansion, announced in December, comes on-line by mid 2000."

Selling, general and administrative expenses at 16.6% of sales reflect separation compensation (equivalent to approximately \$0.04 per share) paid to the former President and Chief Executive Officer in March 2000. Absent the separation compensation, said Mr. Chen, SG&A would have been 15.1% of sales, compared to 19.5% a year ago.

"In light of the continued strong demand for the Company's products and the increased output of the \$6.5 million expansion, the growth outlook for year 2000 remains favorable," stated Mr. Chen. "Furthermore, we look forward to the performance of our most recent \$9 million expansion expected to be operational at year-end," Mr. Chen concluded.

Diodes Incorporated (Amex: DIO) manufactures high-quality discrete semiconductor devices and provides customer support to leading manufacturers in the automotive, electronics, computing and telecommunications industries. Through the Company's ISO-9000 and QS-9000 certified manufacturing facilities located in Shanghai, China and Taipei, Taiwan, Diodes' products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, diodes, rectifiers and bridges. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California.

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

(Statement of Income Follows)

Diodes Incorporated and Subsidiaries
Consolidated Statement of Income

	Three Months Ended March 31,	
	1999	2000
Net sales	\$ 16,032,000	\$ 27,437,000
Cost of goods sold	12,122,000	19,000,000
Gross profit	3,910,000	8,437,000
Selling, general and administrative expenses	3,121,000	4,542,000
Income from operations	789,000	3,895,000
Other income (expense)		
Interest income	62,000	52,000
Interest expense	(160,000)	(216,000)
Other	48,000	6,000
	(50,000)	(158,000)
Income before income taxes and minority interest	740,000	3,737,000
Provision for income taxes	17,000	492,000
Minority interest in joint venture earnings	(33,000)	(105,000)
Net income	\$ 690,000	\$ 3,140,000
Earnings per share		
Basic	\$ 0.14	\$ 0.59
Diluted	\$ 0.13	\$ 0.51
Weighted average shares outstanding		
Basic	5,047,237	5,323,963
Diluted	5,233,425	6,136,327