

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

DIODES INCORPORATED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

- [] Fee paid previously with preliminary materials.
- [] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

- (4) Date Filed:

2
DIODES INCORPORATED

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JUNE 4, 1999

NOTICE IS HEREBY GIVEN THAT THE ANNUAL MEETING (THE "MEETING") OF THE STOCKHOLDERS OF DIODES INCORPORATED (THE "COMPANY") WILL BE HELD AT THE RADISSON HOTEL, 30100 AGOURA ROAD, AGOURA HILLS, CALIFORNIA 91301, ON FRIDAY, JUNE 4, 1999 AT 10:00 A.M. (CALIFORNIA TIME) FOR THE FOLLOWING PURPOSES:

TO RECEIVE AND CONSIDER:

The report of the Board of Directors on the business of the Company and the Company's audited financial statements for the fiscal year ended December 31, 1998, together with the report of Moss Adams LLP, the Company's independent accountants for such period, on those audited financial statements.

TO ACT ON:

1. ELECTION OF DIRECTORS. To elect ten persons to the Board of Directors of the Company, each to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. The Board of Directors' nominees are: Eugene R. Conahan, Michael R. Giordano, David Lin, M.K. Lu, Shing Mao, Michael A. Rosenberg, Erich E. Schaedlich, Leonard M. Silverman, Raymond Soong, and William J. Spires.
2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS. To ratify the appointment of Moss Adams LLP as the Company's independent certified public accountants for the year ended December 31, 1999.
3. OTHER BUSINESS. To transact such other business as properly may come before the Meeting or any adjournment thereof.

ONLY PERSONS WHO ARE STOCKHOLDERS OF RECORD (THE "STOCKHOLDERS") AT THE CLOSE OF BUSINESS ON APRIL 23, 1999 ARE ENTITLED TO NOTICE OF AND TO VOTE IN PERSON OR BY PROXY AT THE MEETING OR ANY ADJOURNMENT THEREOF.

The Proxy Statement, which accompanies this Notice, contains additional information regarding the proposals to be considered at the Meeting, and Stockholders are encouraged to read it in its entirety.

As set forth in the enclosed Proxy Statement, proxies are being solicited by and on behalf of the Board of Directors of the Company. All proposals set forth above are proposals of the Company. It is expected that these materials will be mailed first to Stockholders on or about April 30, 1999.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE MARK, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE TO BE SURE THAT YOUR STOCK IS VOTED. YOUR VOTE IS IMPORTANT, WHETHER YOU OWN A FEW SHARES OR MANY. THE PROXY MAY BE REVOKED AT ANY TIME PRIOR TO ITS EXERCISE.

Dated at Westlake Village, California, this thirtieth day of April, 1999,

By Order of the Board of Directors,
DIODES INCORPORATED

/s/ Carl Wertz
Carl Wertz,
Secretary

DIODES INCORPORATED
 3050 EAST HILLCREST DRIVE
 WESTLAKE VILLAGE, CALIFORNIA 91362
 (805) 446-4800

PROXY STATEMENT

ANNUAL MEETING: JUNE 4, 1999

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board of Directors") of Diodes Incorporated (the "Company") for use at the annual meeting (the "Meeting") of the stockholders of the Company to be held on Friday, June 4, 1999, at the Radisson Hotel, 30100 Agoura Road, Agoura Hills, California 91301, at 10:00 a.m. (California time) and at any adjournment thereof. Michael A. Rosenberg and Carl Wertz, the designated proxyholders (the "Proxyholders"), are members of the Company's management. Only stockholders of record (the "Stockholders") on April 23, 1999 (the "Record Date") are entitled to notice of and to vote in person or by proxy at the Meeting or any adjournment thereof. This Proxy Statement and the enclosed proxy card (the "Proxy") will be mailed first to Stockholders on or about April 30, 1999.

MATTERS TO BE CONSIDERED

The matters to be considered and voted upon at the Meeting will be:

1. ELECTION OF DIRECTORS. To elect ten persons to the Board of Directors of the Company, each to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. The Board of Directors' nominees are: Eugene R. Conahan, Michael R. Giordano, David Lin, M.K. Lu, Shing Mao, Michael A. Rosenberg, Erich E. Schaedlich, Leonard M. Silverman, Raymond Soong, and William J. Spires.

2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS. To ratify the appointment of Moss Adams LLP as the Company's independent certified public accountants for the year ending December 31, 1999.

3. OTHER BUSINESS. To transact such other business as properly may come before the Meeting or any adjournment thereof.

COST OF SOLICITATION OF PROXIES

This Proxy solicitation is made by the Board of Directors of the Company, and the Company will bear the costs of this solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and any other material used in this solicitation of Proxies. This solicitation of Proxies will be made by mail and may be supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. If it should appear desirable to do so to ensure adequate representation at the Meeting, officers and regular employees may communicate with Stockholders, banks, brokerage houses, custodians, nominees and others, by telephone, facsimile transmissions, telegraph, or in person to request that Proxies be furnished. The Company will reimburse banks, brokerage houses, and other custodians, nominees and fiduciaries, for their reasonable expenses in forwarding proxy materials to their principals. The total estimated cost for the solicitation of Proxies is \$9,000.

OUTSTANDING SECURITIES AND VOTING RIGHTS; REVOCABILITY OF PROXIES

The authorized capital of the Company consists of (i) 9,000,000 shares of common stock ("Common Stock"), \$0.66-2/3 par value, of which 5,764,352 shares were issued and outstanding on the Record Date (with an additional 717,115 shares held as Treasury Stock) and (ii) 1,000,000 shares of Class A Preferred Stock, \$1.00 par value ("Class A Preferred Stock"), of which no shares were issued and outstanding on the Record Date. The Common Stock and the Class A Preferred Stock are collectively referred to as the "Stock." A majority of the outstanding shares of the Common Stock constitutes a quorum for the conduct of business at the Meeting. Abstentions will be treated as shares present and entitled to vote for purposes of determining the presence of a quorum.

Each Stockholder is entitled to one vote, in person or by proxy, for each share of Common Stock standing in his or her name on the books of the Company as of the Record Date on any matter submitted to the Stockholders, except that in connection with the election of directors, each Stockholder has the right to cumulate votes, provided that the candidates' names have been properly placed in nomination prior to commencement of voting and a Stockholder has given notice prior to commencement of voting of his or her intention to cumulate votes. If a Stockholder has given such notice, all Stockholders may cumulate their votes for candidates in nomination. Cumulative voting entitles a Stockholder to give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of shares of Common Stock owned by such Stockholder, or to distribute such Stockholder's votes on the same principle among as many candidates as the Stockholder shall think fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected. Discretionary authority to cumulate is hereby solicited by the Board of Directors and the return of the Proxy shall grant such authority.

Of the shares of Common Stock outstanding on the Record Date, 2,045,093 (or approximately 40.5%) (the "Shares") were held in the name of Lite-On Power Semiconductor Corporation ("LPSC"), which, in turn, is wholly-owned by Vishay/Lite-On Power Semiconductor, Pte., Ltd. ("Vishay/LPSC"), a joint venture between the Lite-On Group and Vishay Intertechnology, Inc. ("Vishay"). See "Security Ownership of Certain Beneficial Owners and Management" and "Certain Relationships and Related Transactions" for a discussion of the relationship among Vishay, Vishay/LPSC, LPSC and the Company. An additional 53,125 shares (or approximately 1.1%) were owned by directors and executive officers of the Company. Vishay/LPSC and each director and executive officer has informed the Company that it will vote "FOR" the election of the nominees to the Board of Directors identified herein and "FOR" the appointment of Moss Adams LLP as the Company's independent auditors.

Each proposal described herein, other than the election of directors, requires the affirmative vote of a majority of the outstanding shares of Common Stock present in person or represented by proxy and entitled to vote at the Meeting. Accordingly, broker non-votes and abstentions from voting on any matter, other than the election of directors, will have the effect of a vote "AGAINST" such matter.

A Proxy for use at the Meeting is enclosed. The Proxy must be signed and dated by you or your authorized representative or agent. Telegraphed, cabled or telecopied Proxies are also valid. You may revoke a Proxy at any time before it is exercised at the Meeting by submitting a written revocation to the Secretary of the Company or a duly executed Proxy bearing a later date or by voting in person at the Meeting.

Brokers and nominees holding Common Stock in "street name" which are members of a stock exchange are required by the rules of the exchange to transmit this Proxy Statement to the beneficial owner of the Common Stock and to solicit voting instructions with respect to the matters submitted to the Stockholders. In the event any such broker or nominee has not received instructions from the beneficial owner by the date specified in the statement accompanying such material, the broker or nominee may give or authorize the giving of a Proxy to vote such Common Stock on the matters to be considered at the Meeting; provided, however, that the broker or nominee may not give or authorize the giving of a Proxy for any matter if it has notice of any contest with respect to any matter, and, provided further, that the broker or nominee may not vote the Common Stock "FOR" any matter which substantially affects the rights or privileges of the Common Stock without specific instructions from the beneficial owner. If you hold Common Stock in "street name" and you fail to instruct your broker or nominee as to how to vote such Common Stock, your broker or nominee may, in its discretion, vote such Common Stock "FOR" the election of the Board of Director's nominees and "FOR" the other proposals described herein.

Unless revoked, the shares of Common Stock represented by Proxies will be voted in accordance with the instructions given thereon. In the absence of any instruction in the Proxy, your shares of Common Stock will be voted "FOR" the election of the nominees for director set forth herein and "FOR" the other proposals described herein.

Recently, the Securities and Exchange Commission (the "SEC") amended its rule governing a company's ability to use discretionary proxy authority with respect to shareholder proposals with were not submitted by the shareholders in time to be included in the proxy statement. As a result of that rule change, in the event a shareholder proposal was not submitted to the Company prior to March 16, 1999, the enclosed Proxy will confer authority on the Proxyholder's to vote the shares in accordance with their best judgment and discretion if the proposal is presented at the Meeting. As of the date hereof, no shareholder proposal has been submitted to the Company, and management is not aware of any other matters to be presented for action at the Meeting. However, if any other matters properly come before the Meeting, the Proxies solicited hereby will be voted by the Proxyholder's in accordance with the recommendations of the Board of Directors. Such authorization includes authority to appoint a substitute nominee or

nominees to the Board of Directors' nominees identified herein where death, illness or other circumstances arise which prevent any such nominee for directors from serving in such position and to vote such Proxy for such substitute nominee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of Common Stock as of the Record Date by (i) each person known to the Company to be the beneficial owner of more than five percent of the outstanding shares of Common Stock (other than depositories), (ii) each executive officer, director and nominee for director of the Company, and (iii) all directors and executive officers as a group:

NAME AND ADDRESS OF BENEFICIAL OWNER(1)	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(2)	PERCENT OF CLASS(3)
Lite-On Power Semiconductor Corporation ("LPSC")	2,045,093(4)	40.5%
Fidelity Management & Research Company	504,000	10.0%
Raymond Soong	180,000(5)	3.4%
Eugene R. Conahan	--	*
Michael R. Giordano	51,000(6)	1.0%
David Lin	147,000(5)	2.8%
M.K. Lu	30,000(5)	*
Shing Mao	100,000(5)	1.9%
Michael A. Rosenberg	40,000(5)	*
Erich E. Schaedlich	--	*
Leonard M. Silverman	30,000(5)	*
William J. Spires	--	*
Joseph Liu	103,333(7)	2.0%
Carl Wertz	8,792(8)	*
All directors and executive officers as a group (12 persons) . . .	690,125(9)	12.1%

* Less than 1%.

- (1) The address of LPSC is 28-1, Wu Shin Street, Ta Wu Lung Industrial Zone, Keelung City, Taiwan, R.O.C. The address of the directors and executive officers of the Company is 3050 E. Hillcrest Drive, Westlake Village, California 91362. The address of Vishay Intertechnology, Inc. is 63 Lincoln Highway, Malvern, PA 19355-2120. The address of Fidelity Management & Research Company is 82 Devonshire Street, Boston, MA 02109-3614.
- (2) The named stockholder has sole voting power and investment power with respect to the shares listed, except as indicated and subject to community property laws where applicable.
- (2) Shares which the person (or group) has the right to acquire within 60 days after the Record Date are deemed to be outstanding in calculating the percentage ownership of the person (or group) but are not deemed to be outstanding as to any other person or group. Percent of class total does not take into account 717,115 shares held as treasury stock.
- (4) LPSC, which holds 2,045,093 shares of Common Stock, as the record holder, is owned by Vishay/LPSC, a joint venture owned 65% by Vishay and 35% by the Lite-On Group.

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- (5) Represents shares of Common Stock which the named individual has the right to acquire within 60 days of the Record Date, by the exercise of vested stock options.
- (6) Represents 1,000 shares of Common Stock held in the name of PaineWebber Trust for the IRA of Mr. Giordano and 10,000 shares of Common Stock which Mr. Giordano has the right to acquire within 60 days of the Record Date, by the exercise of vested stock options.
- (7) Includes 93,333 shares of Common Stock which Mr. Liu has the right to acquire within 60 days of the Record Date, by the exercise of vested stock options.
- (8) Includes 6,667 shares of Common Stock which Mr. Wertz has the right to acquire within 60 days of the Record Date, by the exercise of vested stock options.
- (9) Includes 637,000 shares which the directors and executive officers have the right to acquire within 60 days of the Record Date, by the exercise of vested stock options, and excludes an additional 135,000 shares which the directors and executive officers will have the right to acquire upon the exercise of stock options, which options will become exercisable in installments after the Record Date.

Other than as disclosed in the foregoing table, to the knowledge of the Company, no other person or company (other than Cede & Co., a depository company) owns of record or beneficially more than 5 percent of the issued and outstanding Common Stock of the Company.

PROPOSAL ONE - ELECTION OF DIRECTORS

DIRECTORS AND EXECUTIVE OFFICERS

The Company's Bylaws provide that the number of directors shall be determined from time to time by the Board of Directors, but may not be less than five nor more than seventeen. The Board of Directors has fixed the number of directors at ten. The Bylaws further provide for the election of each director at each annual meeting of stockholders.

The persons named below have been nominated for election to the Board of Directors to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. All nominees have indicated their willingness to serve and, unless otherwise instructed, Proxies will be voted in such a way as to elect as many of these nominees as possible under applicable voting rules. In the event that any of the nominees should be unable to serve as a director, it is intended that the Proxies will be voted for the election of such substitute nominees, if any, as shall be designated by the Board of Directors. The Board of Directors has no reason to believe that any nominee will be unavailable.

None of the directors, nominees for director or executive officers were selected pursuant to any arrangement or understanding, other than with the directors and executive officers of the Company acting within their capacity as such. There are no family relationships among directors or executive officers of the Company as of the date hereof, and, except as set forth, as of the date hereof, no directorships are held by any director in a company which has a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940. Officers serve at the discretion of the Board of Directors.

The following table sets forth certain biographical information of the nominees for director and the executive officers of the Company as of the Record Date. The term of office of each director expires with the next annual meeting of shareholders or when a successor is elected and qualified:

OFFICERS AND DIRECTORS	AGE	POSITION WITH THE COMPANY	DIRECTOR SINCE (1)
Raymond Soong (2)	57	Chairman of the Board	1993
Michael A. Rosenberg (3)	70	President, Chief Executive Officer and Director	1989
Eugene R. Conahan (4)	48	Director	1998
Michael R. Giordano (5)	52	Director	1990
David Lin (6)	52	Director	1991
M.K. Lu (7)	50	Director	1995
Shing Mao (8)	63	Director	1990
Erich E. Schaedlich (9)	55	Director	1998
Leonard M. Silverman (10)	59	Director	1995
William J. Spires (11)	57	Director	1998
Joseph Liu (12)	57	Vice President, Far East Operations	N/A
Carl Wertz (13)	44	Chief Financial Officer, Secretary and Treasurer	N/A

- (1) Directors are elected at each annual meeting of shareholders.
- (2) Mr. Soong has been the Chairman of the Board of Silitek Corporation since 1990 and has been Chairman of the Board of LPSC since 1992. See "Security Ownership of Certain Beneficial Owners and Management" and "Certain Relationships and Related Transactions" for a discussion of the relationships among Silitek, LPSC, Vishay and the Company. Since 1995, Mr. Soong has also been a director of FabTech, a subsidiary of LPSC, with whom the Company entered into an agreement in February 1996, whereby Diodes gained a new supply of processed wafers used in the manufacture of several types of discrete semiconductors. Mr. Soong is a graduate of the National Taipei Institute of Technology's Electronic Engineering Department. After serving as a senior engineer for RCA and as a chief engineer for Texas Instruments, Mr. Soong, together with several of his coworkers, founded Taiwan Liton Electronic Co. Ltd. ("Taiwan Liton") in 1975. Taiwan Liton, which manufactures electronic components and subsystems, is an affiliate of Silitek through common control, and its stock is listed on the Taipei Stock Exchange. Mr. Soong is also Chairman of the Board of Taiwan Liton, and the Company's manufacturing facility in Shanghai, China ("Diodes-China").
- (3) Mr. Rosenberg was appointed President of the Company on October 9, 1997 and has served as a director of the Company since 1989. Since 1992, Mr. Rosenberg also has served as an independent consultant to Vishay. Vishay, with worldwide sales exceeding \$1.5 billion and a Fortune 1,000 company, is the largest U.S. and European manufacturer of passive electronic components and a major producer of discrete semiconductors, IRDCs (Infrared Communication Devices) and power integrated circuits. See "Certain Relationships and Related Transactions" for a discussion of the relationships among Vishay/LPSC, Vishay and the Company. Until 1991, Mr. Rosenberg was President, Principal Operating Officer and a director of SFE Technologies, a manufacturer of electronic components with principal offices in San Fernando, California. From 1970 to 1990, Mr. Rosenberg served as Vice President Technology of SFE Technologies. Mr. Rosenberg is a member of the Company's Executive Committee.
- (4) Mr. Conahan has been Vice President, Sales - The Americas of Vishay since December 1997, and served as General Manager, Film Resistors Division of Vishay from 1995 to 1997. From 1990 to 1995, Mr. Conahan served as Vice President, Control Products for Square D Corporation, a manufacturer of distribution, control and instrumentation equipment. Mr. Conahan is a member of the Company's Executive Committee.

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- (5) Mr. Giordano joined the investment banking firm of Paine Webber Incorporated as a Senior Vice President-Investment Consulting, when PaineWebber acquired his previous firm, Kidder Peabody and Company, Inc. Mr. Giordano advises corporations, foundations, trusts, and municipal governments in investments and finance. Mr. Giordano was with Kidder Peabody since 1979. Formerly a captain and pilot in the USAF, Mr. Giordano received his Bachelor of Science degree in Aerospace Engineering from California State Polytechnic University and his Masters degree in Business Administration (Management and Finance) from the University of Utah. Mr. Giordano also did post graduate work in International Investments at Babson College. Mr. Giordano is Chairman of the Company's Audit Committee and Compensation and Options Committee, and is a member of the Executive Committee.
- (6) Mr. Lin, who resigned on October 9, 1997, had served as President and Chief Executive Officer of the Company since March 1993. Mr. Lin continues to serve as a director of the Company. Mr. Lin is also President of Silitek and had served as Executive Vice President of Silitek since 1990, prior to becoming President. See "Security Ownership of Certain Beneficial Owners and Management" and "Certain Relationships and Related Transactions" for a discussion of the relationships among Silitek, LPSC and the Company. Mr. Lin was previously President of Texas Instruments Asia, Limited, in Taiwan from 1982 to 1990. Mr. Lin has been a director of LPSC since 1991 and a director of Maxi Switch, Inc., a U.S. based computer keyboard manufacturer and a member of the Lite-On Group, since 1990. Mr. Lin is also a director of the Diodes-China joint venture.
- (7) Since June 1998, Mr. Lu has been Group Vice President of Lite-On Group and President and CEO of Actron Technology Corporation, a manufacturer of pressfit diodes. From 1991 to June 1998, Mr. Lu was President and a director of LPSC, and served in such capacity with the Vishay/LPSC joint venture formed in 1997. From 1983 to 1990, Mr. Lu was General Manager/Vice President of Silitek. See "Security Ownership of Certain Beneficial Owners and Management" and "Certain Relationships and Related Transactions" for a discussion of the relationship between Silitek, LPSC and the Company. Since 1995, Mr. Lu has also been a director of FabTech. Mr. Lu earned his Bachelor degree in Electrical Engineering at Tatung Institute of Technology and is a graduate of the Institute of Administration at National Chengchi University. Mr. Lu is also a member of the Chinese Management Association and the Chinese Association for Advancement of Management, and director of the Diodes-China joint venture.
- (8) Since 1988, Dr. Mao has been Chairman of the Board of Lite-On, Inc., a California corporation located in Milpitas, California, and a wholly owned subsidiary of Taiwan Liton. See "Security Ownership of Certain Beneficial Owners and Management" and "Certain Relationships and Related Transactions" for a discussion of the relationships among Silitek, LPSC, and the Company. Since 1989, Dr. Mao has been a director of Dyna Investment Co., Ltd. of Taiwan, a venture capital company, and a director of LPSC. Since 1995, Dr. Mao has also been a director of FabTech. Before joining Lite-On, Dr. Mao served in a variety of management positions with Raytheon Company for four years, with Texas Instruments for 11 years, and with UTL Corporation (later acquired by Boeing Aircraft Company) for seven years. Dr. Mao earned his Ph.D. degree in electrical engineering at Stanford University in 1963. Dr. Mao is a member of the Company's Executive Committee, Compensation and Options Committee, and the Audit Committee.
- (9) Mr. Schaedlich has been Executive Vice President - Worldwide Sales for Vishay Intertechnology since March 1999, after serving as Senior Vice President - Worldwide Sales for Vishay Intertechnology since March 1998. Prior to that, Mr. Schaedlich served at Vice President Sales and Marketing - Europe for Vishay Electronic Components Europe. From 1993 to 1998, Mr. Schaedlich also served as Managing Director of Vishay Germany, Vishay Benelux, Vishay Switzerland, and Vishay Austria, and from 1997 to 1998 of Vishay Denmark A/S. In addition, Mr. Schaedlich serves as Managing Director of Vishay Electronic GmbH and Vishay Europe GmbH, since 1993 and 1994, respectively.

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- (10) Since 1984, Dr. Silverman has been the Dean of Engineering at the University of Southern California ("USC"), and has been employed by USC since 1968. Dr. Silverman is internationally known for his pioneering work in the theory and application of multi-variable control systems and signal processing and has more than 100 publications to his credit. Dr. Silverman has been honored as a Fellow of the IEEE, as a Distinguished Member of the IEEE Control Society, and has received a Centennial Medal of the IEEE. He has also received election to the National Academy of Engineering, one of the highest honors that can be bestowed on an engineer. Dr. Silverman also serves on the Board of Directors for Advanced Micro Devices and Netter Digital Entertainment, Inc., as well as for the Colachis Foundation, the Lord Foundation, and the M.C. Gill Foundation. Dr. Silverman earned his A.B., B.S., M.S. and Ph.D. degrees in Electrical Engineering at Columbia University during the period 1961 through 1966. Dr. Silverman is Chairman of the Company's Executive Committee and a member of the Company's Audit Committee.
- (11) Mr. Spires has been a Vice President and Secretary of Vishay since 1981. Previously, Mr. Spires served as Vice President - Industrial Relations since 1980 and has been employed by Vishay since 1970. Mr. Spires is a member of the Company's Compensation and Options Committee.
- (12) In May 1998, Mr. Liu was appointed President of Vishay/LPSC and Vice President, Far East Operations for the Company. Mr. Liu had served as Vice President, Operations of the Company since 1994 and Chief Financial Officer and Secretary since 1990. Mr. Liu was the Company's Vice President, Administration from 1990 to 1994. Prior to joining the Company, Mr. Liu held various management positions with Texas Instruments ("TI"), Dallas, since 1971, including Planning Manager, Financial Planning Manager, Treasury Manager, Cost Accounting Manager and General Accounting Manager with TI Taiwan, Ltd. in Taipei; from 1981 to 1986 as Controller with TI Asia in Singapore and Hong Kong; from 1986 to 1989 as Financial Planning Manager, TI Latin America Division (for TI Argentina, TI Brazil, and TI Mexico) in Dallas; and from 1989 to 1990 as Chief Coordinator of Strategic Business Systems for TI Asia Pacific Division in Dallas. Mr. Liu is also President and a director of Diodes-China. See "Certain Relationships and Related Transactions" for a discussion of the relationships between Diodes-China and the Company.
- (13) Mr. Wertz, the Company's Controller since 1993, was appointed the Company's Chief Financial Officer, Secretary and Treasurer on May 28, 1998. Before joining the Company, Mr. Wertz served in various financial and accounting positions, most recently as Controller of Westco Products, a manufacturer and distributor of food products, headquartered in Pico Rivera, California. Mr. Wertz, a licensed CPA, began his accounting career with Deloitte & Touche LLP.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has a standing Audit Committee, a Compensation and Options Committee, and an Executive Committee. The members of the Audit Committee are Dr. Leonard M. Silverman and Dr. Shing Mao, with Michael R. Giordano serving as Chairman of the committee. The Audit Committee makes recommendations to the Board of Directors regarding the engagement of the Company's independent auditors, reviews the plan, scope and results of the audit, reviews with management the Company's policies and procedures with respect to internal accounting and financial controls and reviews changes in accounting policy and the scope of the non-audit services which may be performed by the Company's independent auditors. The Audit Committee also monitors policies to prohibit unethical, questionable or illegal activities by the Company's employees.

The Compensation and Options Committee members consist of Dr. Shing Mao and William J. Spires, with Michael R. Giordano serving as Chairman of the committee. The Compensation and Options Committee makes recommendations to the Board of Directors regarding compensation, benefits and incentive arrangements for officers and other key employees of the Company including awards under the Company's Incentive Bonus Plan. The Compensation and Options Committee also administers the Company's 1993 Incentive Stock Option Plan ("1993 ISO Plan"), the 1993 Non-Qualified Stock Option Plan ("1993 NQO Plan"), the 1984 Non-Qualified Stock Option Plan ("1984 NQO Plan"), and Company's 401(k) profit sharing plan (the "401(k) Plan").

The Executive Committee members are Michael A. Rosenberg, Michael R. Giordano, Dr. Shing Mao, and Eugene R. Conahan, with Dr. Leonard M. Silverman serving as Chairman of the committee. The Executive

Committee promotes communication between the management and the Board of Directors by receiving the periodic reports of the management of the Company on the business, results of operations, and prospects of the Company.

The Board of Directors met one time during fiscal year 1998. The Compensation and Options Committee, the Audit Committee, and the Executive Committee each met once during fiscal year 1998. All of the persons who were directors of the Company or members of committees were present for all of the meetings during fiscal year 1998.

EMPLOYEE BENEFITS PLANS

The 1993 ISO Plan provides for the issuance of up to 1,000,000 shares of the Company's authorized but unissued Common Stock. Options granted under the 1993 ISO Plan are not transferable, except by will or the laws of descent or distribution. A vested but unexercised option is normally exercisable for 90 days after termination of employment, other than by death or retirement. In the event of death, unmaturing options are accelerated to maturity. An option granted under the 1993 ISO Plan may not be priced at less than 100% of fair market value on the date of grant and expires 10 years from the date of grant.

The 1993 NQO Plan became effective retroactively to July 6, 1993, upon approval by the shareholders at the Company's 1994 annual meeting. The 1993 NQO Plan provides for the issuance of up to 1,000,000 shares of the Company's authorized but unissued Common Stock. Options may be exercised by the optionee during his or her lifetime or after his or her death by those who have inherited by will or intestacy. A vested but unexercised option is normally exercisable for 90 days after termination of employment, other than by death or retirement. In the event of death, unmaturing options are accelerated to maturity. The Compensation and Options Committee, which administers the 1993 NQO Plan, has full discretion to determine whether or not options granted under the 1993 NQO Plan shall have a right to relinquish up to one-half of an unexercised position of an option for an amount of cash, if concurrently, the holder of the option exercises a portion of the option and purchases a number of shares of stock at least equal to the number of shares which could have been purchased under the portion of the option relinquished ("SAR"). However, the Board of Directors has expressly stated that it has not and does not intend to grant such SAR. The shares to be issued upon exercise of options under the 1993 NQO Plan require a three-year vesting period. The option price is 100% of the fair market value of such shares on the date the option is granted. Options expire ten years from the grant of the option.

The 1984 NQO Plan provides for the issuance of up to 300,000 shares of the Company's authorized but unissued Common Stock. Options granted under the 1984 NQO Plan are not transferable, except by will or the laws of descent or distribution. A vested but unexercised option is normally exercisable for 90 days after termination of employment, other than by death or retirement. In the event of death, unmaturing options are accelerated to maturity. An option granted under the 1984 NQO Plan may not be priced at less than 100% of fair market value on the date of grant and expires 10 years from the date of grant. Under the terms of the 1984 NQO Plan, no options can be granted after 1994.

The Company maintains a 401(k) profit sharing plan for the benefit of qualified employees. Employees who participate may elect to make salary deferral contributions to the Plan up to 6% of the employees' eligible payroll. The Company makes a contribution of \$1 for every \$2 contributed by the participant. In addition, the Company may make a discretionary contribution to the entire qualified employee pool, in accordance with the 401(k) Plan.

COMPENSATION OF DIRECTORS

All directors each received \$750 for each meeting of the Board of Directors attended during the year ended December 31, 1998. No additional amounts are paid to directors for committee participation or special assignments. The Board of Directors may modify such compensation in the future. Both employee and non-employee directors are eligible to receive grants of stock options.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Under Section 16(a) of the Exchange Act, the Company's directors, executive officers and any persons holding ten percent or more of the Common Stock are required to report their ownership of Common Stock and any changes in that ownership to the Securities and Exchange Commission (the "SEC") and to furnish the Company with copies of such reports. Specific due dates for these reports have been established and the Company is required to report

any failure to file on a timely basis by such persons. Based solely upon a review of copies of reports filed with the SEC during the fiscal year ended December 31, 1998, all reporting persons filed reports on a timely basis, except for Messrs. Schaedlich, Conahan, and Spires, who filed late Form 3's in connection with their election to the Company's Board of Directors in June 1998. To avoid the inadvertent failure of directors, executive officers and stockholders to timely file these reports in the future, the Company will periodically advise such persons of their filing obligations.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

SUMMARY OF CASH AND CERTAIN OTHER COMPENSATION

The following sets forth certain summary information concerning compensation paid or accrued by the Company to its executive officers (the "Named Executives") for each of the fiscal years ended December 31, 1998, 1997 and 1996:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation (1)		Other Annual Compensation(\$)	Long Term Compensation		All Other Compensation(\$)	
		Salary(\$)	Bonus(\$)		Awards	Payouts		
					Restricted Stock Awards(\$)	Securities Underlying Options/SARs(#)	LTIP Payouts(\$)	
MICHAEL A. ROSENBERG President and Chief Executive Officer	1998	-- (2)	--	--	--	--	--	--
	1997	--	--	--	--	--	--	--
	1996	--	--	--	--	30,000(3)	--	--
JOSEPH LIU Vice President, Far East Operations	1998	140,000(4)	49,600	--	--	--	--	--
	1997	120,000	99,300	--	--	--	--	--
	1996	120,000	30,000	--	--	50,000(5)	--	--
CARL WERTZ Chief Financial Officer, Secretary and Treasurer	1998	87,000(6)	27,300	--	--	25,000(7)	--	--
	1997	70,000	14,500	--	--	--	--	--
	1996	65,700	6,000	--	--	10,000(5)	--	--

(1) Certain of the Company's executive officers receive personal benefits in addition to salary and cash bonuses, including car allowances, life insurance payable at the direction of the employee, contributions under the Company's 401(k) Plan, and group health insurance. The aggregate amount of such personal benefits does not exceed the lesser of \$50,000 or 10% of the total annual salary and bonus reported for the Named Executives.

(2) Mr. Rosenberg was appointed President on October 9, 1997. Mr. Rosenberg receives no direct compensation from the Company, other than issuance of the Company's stock options and reimbursement of expenses while on Company business. In addition, Mr. Rosenberg receives cash compensation directly from Vishay for his services as a consultant to Vishay. See "Certain Relationships and Related Transactions" for a discussion of the relationship among Silitek, LPSC, Vishay and the Company.

(3) Options were granted pursuant to the Company's 1993 NQO Plan at an exercise price of \$6.00 and are exercisable annually in three equal amounts over a three-year vesting period. Options granted to Mr. Rosenberg were for his services as a member of the Company's Board of Directors.

(4) Mr. Liu also receives reimbursement of expenses while on Company business, which is not included in this figure.

(Footnotes continued on following page)

(Footnotes continued from previous page)

- (5) Options granted in 1996 were issued pursuant to the Company's 1993 ISO Plan at an exercise price of \$6.00 and are exercisable annually in three equal amounts over a three-year vesting period.
- (6) Mr. Wertz, the Company's Controller since 1993, was appointed as the Company's Chief Financial Officer, Secretary and Treasurer on May 28, 1998.
- (7) Options granted in 1998 were issued pursuant to the Company's 1993 Incentive Stock Option Plan ("1993 ISO Plan") at a exercise prices of \$5.00, \$7.50 and \$10.00 and are exercisable annually in three equal amounts over a three year vesting period. The 1993 ISO Plan provides for the issuance of up to 1,000,000 shares of the Company's authorized but unissued Common Stock. Options granted under the 1993 ISO Plan are not transferable, except by will or the laws of descent or distribution. An vested but unexercised option is normally exercisable for 90 days after termination of employment, other than by death or retirement. In the event of death, unmaturred options are accelerated to maturity. An option granted under the 1993 ISO Plan may not be priced at less than 100% of fair market value on the date of grant and expires 10 years from the date of grant.

STOCK OPTION GRANTS

The following table contains information concerning the grant of stock options during the fiscal year ended December 31, 1998 to the Named Executives:

OPTION/SAR GRANTS IN FISCAL YEAR 1998

Individual Grants					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (1)	
Name	Number of Securities Underlying Options/SARs Granted (#)	Percent of Total Options/SARs Granted to Employees in FY 1998	Exercise or Base Price (\$/Sh)	Expiration Date	5%(\$)	10%(\$)
CARL WERTZ	8,334	2.1	5.00	10/01/09	26,206	66,411
"	8,333	2.1	7.50	10/01/10	5,370	45,571
"	8,333	2.1	10.00	10/01/11	0	24,738

- (1) The Potential Realizable Value is the product of (a) the difference between (i) the product of the closing sale price per share at the date of grant and the sum of (A) 1 plus (B) the assumed rate of appreciation of the Common Stock compounded annually over the term of the option and (ii) the per share exercise price of the option and (b) the number of shares of Common Stock underlying the option at December 31, 1998. These amounts represent certain assumed rates of appreciation only. Actual gains, if any, on stock option exercises are dependent upon a variety of factors, including market conditions and the price performance of the Common Stock. There can be no assurance that the rate of appreciation presented in this table can be achieved.

STOCK OPTION EXERCISES AND HOLDINGS

The following table contains information with respect to the Named Executives concerning the exercise of options during the fiscal year ended December 31, 1998 and unexercised options held by the Named Executives as of December 31, 1998:

AGGREGATED OPTION / SAR EXERCISES IN FISCAL YEAR 1998
AND FISCAL YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF UNEXERCISED OPTIONS/SARS AT 12/31/98(#)		VALUE OF UNEXERCISED "IN-THE-MONEY" OPTIONS/SAR AT 12/31/98 (\$)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Michael Rosenberg	--	--	40,000	10,000	62,500	--
Joseph Liu	--	--	93,333	16,667	62,500	--
Carl Wertz	--	--	6,667	28,333	--	--

(1) The value of unexercised "in-the-money" options is the difference between the closing sale price of the Company's Common Stock on December 31, 1998 (\$5.00 per share) and the exercise price of the option, multiplied by the number of shares subject to the option.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS TO STOCKHOLDERS

The Report of the Compensation and Options Committee of the Board of Directors to Stockholders shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation and Options Committee (the "Committee") consists of three directors, Dr. Shing Mao, William J. Spires, and Michael R. Giordano, who are not employees or former employees of the Company. The Compensation and Options Committee makes recommendations to the Board of Directors regarding compensation, benefits and incentive arrangements for officers and other key employees of the Company including awards under the Company's Incentive Bonus Plan. The Compensation and Options Committee also administers the Company's 1993 Incentive Stock Option Plan ("1993 ISO Plan"), the Company's 1993 Non-Qualified Stock Option Plan ("1993 NQO Plan"), and the Company's 1984 Non-Qualified Stock Option Plan ("1984 NQO Plan").

The Company's general approach to compensating executive officers is to pay cash salaries which are competitive with salaries paid to executives of other companies in the Company's industry, which are of similar size and engaged in a similar line of business, and to employ a subjective assessment of the individual's experience and past and potential contribution to the Company.

The Company's policy in compensating executive officers is to establish methods and levels of compensation that will provide strong incentives to promote the profitability and growth of the Company and reward superior performance. Compensation of executive officers includes base salary, performance-based incentive bonuses and stock-based programs. Salaries are established by the Committee based on the Committee's subjective assessment of the executive's scope of responsibility, level of experience, individual performance, and contribution to the business.

The Company believes that the emphasis on performance-based and stock-based compensation serves to align the interests of the executive officers with the interests of the Company's stockholders. The Company also seeks to establish overall compensation levels that are sufficiently competitive to attract, retain, and motivate highly

competent management personnel. Base salaries for Messrs. Wertz and Liu are paid in accordance with subjective criteria set by the Committee.

The Company's performance, for purposes of compensation decisions, is measured under the annual bonus plan against goals established prior to the start of the fiscal year by the Committee, and is reviewed and approved by the Committee. The Company's annual bonus plan is based on specific financial performance results. Bonuses, set at a fixed amount and paid as a percentage of the total, are based upon reaching a percentage between 80% and 120% of the goal. Mr. Wertz's bonus is based upon subjective criteria set by the Committee. Mr. Liu's bonus is based on subjective criteria set by the Committee for net sales, and profit before tax at Diodes-Taiwan and Diodes-China, as well as, return on assets at Diodes-China.

COMPENSATION FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

No cash compensation, other than expense reimbursement, has been paid by the Company to Michael A. Rosenberg, the Company's President since his appointment in October 1997. Mr. Rosenberg serves as a consultant to Vishay Intertechnology, Inc., and he is compensated directly by Vishay for such consulting services. Mr. Rosenberg is however, eligible to participate in, and receive stock option grants through, the Company's 1993 Non-Qualified Stock Option Plan. Shares granted to Mr. Rosenberg previously were for his services as a member of the Company's Board of Directors. Any Shares that may be granted to Mr. Rosenberg in the future will be based upon the Committee's subjective assessment of the performance of Mr. Rosenberg and the Company.

STOCK OPTIONS

The Committee strongly believes that the interests of senior management must be closely aligned with those of the Company's stockholders. Stock options are granted to officers and selected employees whose contributions and skills are important to the long-term success of the Company. Stock options granted to executive officers to date have been granted at no less than the fair market value as of the date of grant with a ten year term. If employment is terminated, the term of the grant is 90 days from the termination date. To encourage retention, the ability to exercise options granted under the plans is subject to vesting restrictions. The Committee's policy is to award an initial grant at the date of employment, which vests over three years, and is in recognition of the executive officer's potential contribution to the Company. The three year vesting period may be increased or decreased at the Committee's discretion. After three years, it is at the Committee's discretion to award additional grants based upon future contribution. Decisions made by the Committee regarding the timing and size of other option grants take into consideration Company and individual performance, competitive market practices, and the size and term of option grants made in prior years. The Committee does not consider current option holdings when granting additional options.

The Company's stock option plans have been amended and approved by the stockholders so stock options that have been awarded can qualify for exclusion under Section 162(m) of the Internal Revenue Code of 1986 as performance-based compensation.

Dated: April 2, 1999
 Compensation and Options Committee
 of the Board of Directors
 Michael R. Giordano
 Shing Mao
 William J. Spires

COMPENSATION AND OPTIONS COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation and Options Committee consists of three directors, Dr. Shing Mao, William J. Spires, and Michael R. Giordano. No person who served as a member of the Company's Compensation and Options Committee during the 1998 fiscal year has ever been an officer or employee of the Company or any of its subsidiaries.

PERFORMANCE GRAPH

Set forth below is a line graph comparing the yearly percentage change in the cumulative total stockholder return of the Company's Common Stock against the cumulative total return of the American Stock Exchange Market Index ("AMEX Market Index") and a Company-constructed electronics manufacturing and distribution peer group for the five fiscal years ending December 31, 1998. The graph is not necessarily indicative of future price performance.

The graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act or under the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN
AMONG DIODES INCORPORATED, AMEX MARKET INDEX AND PEER GROUP INDEX(1)

	1993	1994	1995	1996	1997	1998
Diodes Incorporated	\$ 100	\$ 93.02	\$ 195.35	\$ 134.88	\$ 181.39	\$ 93.02
AMEX Market Index	100	88.33	113.86	120.14	148.71	179.21
Peer Group Index (weighted average)	100	118.95	242.09	204.89	329.49	412.41

(1) Assumes \$100 invested on December 31, 1993 in the Common Stock of Diodes Incorporated, the stock of the companies in the AMEX Market Index, and in the stocks of the peer group companies, and that all dividends received within a quarter, if any, were reinvested in that quarter. The peer group companies consist of Microsemi Corporation, Nu-Horizons Electronics Corporation, Siliconix, Inc., Semtech Corporation, Sterling Electronics Corporation, Unitrode Corporation, Savior Technology Group (which acquired former peer group company Western Microtechnology, Inc. in 1997), and Taitron Components, Inc.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

LPSC is the record owner of 40.5% of the Company's issued and outstanding Common Stock, excluding treasury stock, at December 31, 1998, and the Record Date. In August 1997, the ownership of LPSC was transferred to Vishay/LPSC, a newly formed joint venture between the Lite-On Group and Vishay. Vishay holds a 65% interest in the joint venture, and the Lite-On Group holds the other 35%.

During the years ended December 31, 1998 and 1997, approximately 25% and 32%, respectively, of the purchases of products for resale by the Company, amounting to approximately \$12,320,000 and \$15,630,000, respectively, were from Vishay/LPSC. These products, which were also available generally from other sources, were negotiated at prices competitive with prices charged by other vendors of similar products in similar quantities. There are no special or exclusive trading agreements or understandings between the Company and LPSC, other than the Company's previously filed marketing agreement with LPSC.

In February 1996, the Company announced an agreement with FabTech whereby the Company may purchase processed wafers used in the manufacture of several types of discrete semiconductors. The Company has provided FabTech with approximately \$2.5 million in working capital to be used in upgrading, reconfiguring, and starting up operations at an existing wafer fabrication facility located in Lee's Summit, Missouri. The Company earns interest from FabTech on the \$2.5 million advance at a rate equal to the Company's current cost of capital. FabTech is a wholly-owned subsidiary of Vishay/LPSC.

The Company's Taiwan and China manufacturing facilities receive wafers from FabTech, among others. Output from the FabTech facility includes wafers used in the production of Schottky barrier diodes, fast recovery epitaxial diodes (FREDs), and other widely used value-added products. Schottky barrier diodes are employed in the manufacture of the power supplies found in personal computers, telecommunications devices and other applications where high frequency, low forward voltage and fast recovery are required.

Raymond Soong, who became a director and Chairman of the Board of the Company effective March 16, 1993, is also the Chairman of the Board of Silitek, Vishay/LPSC, Taiwan Liton, and the Diodes-China joint venture.

Michael A. Rosenberg, President, Chief Executive Officer and a director of the Company, also serves as a consultant to Vishay, for which consulting services he is compensated by Vishay.

David Lin, who has been a director of the Company since 1991, was from March 1993 to October 1997, President and Chief Executive Officer of the Company. Mr. Lin is the President and a director of Silitek. Mr. Lin is also a director of the Diodes-China joint venture.

Silitek is affiliated through common ownership and control with Taiwan Liton, and both companies are members of the Lite-On Group. Both Silitek and Taiwan Liton are public corporations in Taiwan with stock registered on the Taipei Stock Exchange.

Dr. Shing Mao, who is a director of the Company, is Chairman of the Board of Lite-On Milpitas, a wholly-owned subsidiary of Taiwan Liton. Dr. Mao is also a director of Vishay/LPSC, and since 1995, has also been a director of FabTech.

M.K. Lu, who has been a director of the Company since 1995, is also Group Vice President of the Lite-On Group. From 1983 to 1990, Mr. Lu was General Manager/Vice President of Silitek. Mr. Lu is also a director of the Diodes-China joint venture.

During 1998, Michael R. Giordano, a director of the Company and Senior Vice President-Investment Consulting at the investment banking firm of PaineWebber, Inc., has, from time to time, assisted directors and executive officers of the Company in stock option exercises and subsequent stock sales of the Company's Common Stock. Mr. Giordano is also the pension consultant for the Company's 401(k) plan and has, from time to time, in such capacity assisted Vishay/LPSC in stock transactions. Compensation received by Mr. Giordano for services rendered to the Company and Vishay/LPSC for services other than as a director in 1998 was less than \$1,000.

Joseph Liu, Vice President, Far East Operations, is also President of Vishay/LPSC and President and a director of the Diodes-China joint venture.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"
THE ELECTION OF THE BOARD OF DIRECTORS' NOMINEES.

PROPOSAL TWO - RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The firm of Moss Adams LLP, certified accountants, has been the Company's independent accountants since 1993 and has been selected by the Board of Directors to serve as its independent accountants for the fiscal year ending December 31, 1999. Professional services rendered by Moss Adams LLP for the fiscal year ended December 31, 1998 consisted of an audit of the Company's financial statements, consultation on interim financial statements, services related to filings with the SEC, meetings with the Company's Audit Committee and consultation on various matters relating to accounting and financial reporting. All professional services rendered by Moss Adams LLP during fiscal 1998 were furnished at customary rates and terms. The Audit Committee of the Board of Directors met with representatives of Moss Adams LLP during the past fiscal year. The members of the Audit Committee are Messrs. Giordano, Mao, and Silverman. Representatives of Moss Adams LLP are expected to be present at the Meeting. They will have the opportunity to make a statement, if they so desire, and respond to appropriate questions from stockholders.

Stockholders are being asked to ratify the appointment of Moss Adams LLP as the Company's independent public accountants for the fiscal year ending December 31, 1999. Ratification of the proposal requires the affirmative vote of a majority of the shares of Common Stock represented and voting at the Meeting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"
THE RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS.

PROPOSALS OF STOCKHOLDERS

Under certain circumstances, stockholders are entitled to present proposals at stockholder meetings. Any such proposal to be included in the proxy statement for the Company's 2000 annual meeting of stockholders must be submitted by a stockholder prior to December 31, 1999, in a form that complies with applicable regulations. Recently, the SEC amended its rule governing a company's ability to use discretionary proxy authority with respect to shareholder proposals which are not submitted by the shareholders in time to be included in the proxy statement. As a result of that rule change, in the event a shareholder proposal is not submitted to the Company prior to March 15, 2000, the proxies solicited by the Board of Directors for the 2000 annual meeting of shareholders will confer authority of the holders of the proxy to vote the shares in accordance with their best judgment and discretion if the proposal is presented at the 2000 annual meeting of shareholders without any discussion of the proposal in the proxy statement for such meeting.

ANNUAL REPORT AND FORM 10-K

The Company's Annual Report of the fiscal year ended December 31, 1998 accompanies or has preceded this Proxy Statement. The Annual Report contains consolidated financial statements of the Company and its subsidiaries and the report thereon of Moss Adams LLP, the Company's independent auditors, for the fiscal years ended December 31, 1998, 1997 and 1996.

STOCKHOLDERS MAY OBTAIN WITHOUT CHARGE A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K, INCLUDING FINANCIAL STATEMENTS REQUIRED TO BE FILED WITH THE SEC PURSUANT TO THE EXCHANGE ACT, FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998, BY WRITING TO THE COMPANY; ATTN: INVESTOR RELATIONS, 3050 EAST HILLCREST DRIVE, WESTLAKE VILLAGE, CALIFORNIA 91362, OR EMAIL THE REQUEST TO DIODES-FIN@DIODES.COM.

OTHER MATTERS

Management knows of no business which will be presented for consideration at the Meeting other than as stated in the Notice of Meeting. If, however, other matters are properly brought before the Meeting, it is the intention of the Proxyholders to vote the shares represented by the Proxies on such matters in accordance with the recommendation of the Board of Directors and authority to do so is included in the Proxy.

Dated at Westlake Village, California, this thirtieth day of April, 1999,

By Order of the Board of Directors,
DIODES INCORPORATED

/s/ Carl Wertz
Carl Wertz,
Secretary

ANNUAL MEETING OF STOCKHOLDERS -- JUNE 4, 1999
THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

The undersigned stockholder(s) of Diodes Incorporated (the "Company") hereby nominates, constitutes and appoints Michael A. Rosenberg and Carl Wertz, and each of them, the attorney, agent and proxy of the undersigned, with full power of substitution, to vote all stock of the Company which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company (the "Meeting") to be held at the Radisson Hotel, 30100 Agoura Road, Agoura Hills, California 91301, on Friday, June 4, 1999 at 10:00 a.m. (California time), and any adjournments thereof, as fully and with the same force and effect as the undersigned might or could do if personally thereat, as follows:

1. ELECTION OF DIRECTORS

FOR all nominees listed below []
(except as marked to the contrary below)
Discretionary authority to cumulate votes is granted

WITHHOLD AUTHORITY to vote for []
all nominees listed below

Nominees: Eugene R. Conahan; Michael R. Giordano; David Lin; M.K. Lu; Shing Mao;
Michael A. Rosenberg;
Erich E. Schaedlich; Leonard M. Silverman; Raymond Soong; and William J. Spires.

(Instructions: To withhold authority to vote for any one or more nominees, write that nominee's or nominees' name(s) in the space provided below)

2. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

TO ratify the appointment of Moss Adams LLP as the Company's independent certified public accountants for the year ending December 31, 1999.

FOR [] AGAINST [] ABSTAIN []

3. OTHER BUSINESS

In their discretion, the proxyholders are authorized to transact such other business as may properly come before the Meeting and any adjournment thereof.

FOR [] AGAINST [] ABSTAIN []

Please Sign And Date On Reverse Side

REVOCABLE PROXY

REVOCABLE PROXY

THE BOARD OF DIRECTORS RECOMMENDS A VOTE OF "FOR" THE ELECTION OF EACH OF THE NOMINEES AND FOR RATIFICATION OF MOSS ADAMS LLP AS THE COMPANY'S INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS FOR THE YEAR ENDING DECEMBER 31, 1999. ALL PROPOSALS TO BE ACTED UPON ARE PROPOSALS OF THE COMPANY. IF ANY OTHER BUSINESS IS PRESENTED AT THE MEETING, THIS PROXY SHALL BE VOTED BY THE PROXYHOLDERS IN ACCORDANCE WITH THE RECOMMENDATIONS OF A MAJORITY OF THE BOARD OF DIRECTORS.

The undersigned hereby ratifies and confirms all that said attorneys and proxyholders, or either of them, or their substitutes, shall lawfully do or cause to be done by virtue hereof, and hereby revokes any and all proxies heretofore given by the undersigned to vote at the Meeting. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement accompanying said notice.

Date:

(Name of Stockholder, Printed)

(Signature of Stockholder)

(Name of Stockholder, Printed)

(Signature of Stockholder)

(Please date this Proxy and sign your name as it appears on your stock certificate(s). Executors, administrators, trustees, etc., should give their full titles. All joint owners should sign.)

I (We) do [] do not [] expect to attend the Meeting.

This Proxy will be voted "FOR" the election of all nominees whose names appear above unless authority to do so is withheld. Unless "AGAINST" or "ABSTAIN" is indicated, the Proxy will be voted "FOR" the ratification of the appointment of Moss Adams LLP as the Company's independent auditors. PLEASE SIGN, DATE AND RETURN THIS PROXY AS PROMPTLY AS POSSIBLE IN THE POSTAGE PREPAID ENVELOPE PROVIDED.