

For Immediate Release

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**DIODES ANNOUNCES RECORD YEAR-END RESULTS**  
**— Net Income Up 70% —**

**Westlake Village, California — February 2, 1998 — Diodes Incorporated (ASE: DIO)** today announced record revenues and net income for its fourth quarter and twelve months ended December 31, 1997.

Year-end revenues, net income, and earnings per share were the highest in the Company's history. Revenues for the twelve months ended December 31, 1997 increased 17% to \$65.7 million from \$56.0 million in the same period a year ago. Net income increased 70% to \$5.1 million from \$3.0 million, and diluted earnings per share were \$0.93 versus \$0.55 last year, an increase of 69%.

Revenues for the quarter ended December 31, 1997 increased 11% to \$16.7 million from \$15.0 million in the same period last year. Net income increased 74% to \$1.4 million from \$807,000 a year ago, and diluted earnings per share were \$0.25 compared to \$0.15 in the third quarter of 1996, an increase of 67%.

“Despite pricing pressures within some of our product lines,” said Michael Rosenberg, President of Diodes, “higher revenues, an improvement in gross margins to 27.9% from 26.5% in the prior year, and better control of overhead led to a considerable improvement in operating margins, to 11.0% from 8.0% a year ago. The record results reflect the growing contribution of Kai Hong, which continues to meet our projections. Given this success to date, we recently increased our equity position in the joint venture to 95% from 70%, and we are currently implementing a planned \$12 million capital equipment expansion program at Kai Hong.”

First announced in June 1995, Kai Hong — in which the Company has invested approximately \$5 million to date — owns and operates a facility on mainland China for the manufacture of high-quality SOT 23 products. “The expansion of the Kai Hong facility is an essential part of the Company’s program to increase capacity and meet anticipated demand,” said Mr. Rosenberg. Mr. Rosenberg added that the Company’s business in 1997 was not materially affected by the recent widespread weakness in Asian currencies. However, given that 24% of Diodes’ revenues in 1997 were Asia-based — compared to approximately 14% in the prior year — it remains unclear to what extent continuing weakness in Asian

currencies might affect the Company's business in 1998.

The bottom line, said Mr. Rosenberg, has continued to benefit from a decline in SG&A as a percentage of sales, both sequentially and year-to-year. In the fourth quarter SG&A was 14.9% of sales compared to 20.0% a year ago, and for the year it was 17.0% of sales compared to 18.5% in 1996.

Diodes Incorporated provides high-quality discrete semiconductor devices and exceptional customer support to leading manufacturers in the automotive, electronics, computing and telecommunications industries. Diodes' products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, Schottkys, diodes, rectifiers and bridges.

*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 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.*

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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-info@diodes.com](mailto:diodes-info@diodes.com). Recent news releases may also be obtained via fax by dialing 800-758-5804, ext. 246725.

(Statement of Income Follows)

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

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>1997</b>	1996	<b>1997</b>	1996
<b>Net sales</b>	<b>\$ 16,729,000</b>	\$ 14,969,000	<b>\$ 65,699,000</b>	\$ 56,019,000
<b>Cost of goods sold</b>	<b>12,197,000</b>	10,796,000	<b>47,356,000</b>	41,177,000
Gross profit	<b>4,532,000</b>	4,173,000	<b>18,343,000</b>	14,842,000
<b>Selling, general and administrative expenses</b>	<b>2,489,000</b>	2,989,000	<b>11,137,000</b>	10,386,000
Income from operations	<b>2,043,000</b>	1,184,000	<b>7,206,000</b>	4,456,000
<b>Other income (expense)</b>				
Interest income	<b>138,000</b>	43,000	<b>343,000</b>	187,000
Interest expense	<b>(107,000)</b>	(117,000)	<b>(405,000)</b>	(538,000)
Minority interest in joint venture	<b>275,000</b>	155,000	<b>(15,000)</b>	238,000
Commissions and other	<b>264,000</b>	30,000	<b>627,000</b>	295,000
	<b>570,000</b>	111,000	<b>550,000</b>	182,000
<b>Income before income taxes</b>	<b>2,613,000</b>	1,295,000	<b>7,756,000</b>	4,638,000
<b>Provision for income taxes</b>	<b>1,242,000</b>	488,000	<b>2,631,000</b>	1,673,000
<b>Net income</b>	<b>\$ 1,371,000</b>	\$ 807,000	<b>\$ 5,125,000</b>	\$ 2,965,000
<b>Earnings per share</b>				
Basic	<b>\$ 0.28</b>	\$ 0.16	<b>\$ 1.03</b>	\$ 0.60
Diluted	<b>\$ 0.25</b>	\$ 0.15	<b>\$ 0.93</b>	\$ 0.55
Number of shares used in computation				
Basic	<b>4,983,904</b>	4,958,679	<b>4,970,705</b>	4,958,658
Diluted	<b>5,559,452</b>	5,274,016	<b>5,481,680</b>	5,362,027