

FOR IMMEDIATE RELEASE

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DIODES SECURES NEW SOURCE OF PROCESSED WAFERS

Westlake Village, California — February 16, 1996 — Diodes Incorporated (ASE: DIO) today announced an agreement with FabTech, Inc. whereby Diodes will gain a new supply of processed wafers used in the manufacture of several types of discrete semiconductors.

Diodes will provide 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 the AT&T building in Lee's Summit, Missouri. FabTech is a newly-created subsidiary of Lite-On Power Semiconductor Corp., a Taiwanese company that since 1991 has been a major shareholder of Diodes' common stock and for which Diodes acts as North American marketing agent.

Diodes expects to begin receiving wafers from FabTech by the third quarter of 1996. Given current levels of pricing and demand, it is anticipated that FabTech production will contribute substantially to Diodes' net sales in 1997, with further increases in subsequent years. Output from the facility will include Schottky barrier diodes, fast recovery epitaxial diodes (FREDs), and other widely used value-added products.

Schottky barrier diodes, currently in short supply world-wide, are employed in the manufacture of the power supplies found in personal computers, telecommunications devices and myriad other applications where high frequency, low forward voltage and fast recovery are required.

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David Lin, president and CEO of Diodes, noted that the agreement with FabTech is indicative of the Company's desire to participate in the sourcing of advanced-technology discrete components without becoming directly involved in the manufacturing process. Mr. Lin remarked: "The agreement with FabTech is similar to the sourcing agreement we announced in June, 1995 with Shanghai Kai Hong Electronics Co., Ltd.: each formalizes a strategic alliance that will enhance Diodes' ability to assure its customers timely delivery of the products they require."

"This capability is at the heart of the Company's program to build market share by expanding its product line and strengthening customer loyalty through its growing reputation as a highly reliable source of discrete semiconductors of superior quality. It is also further evidence of the Company's ability to leverage its close relationship with Lite-On Power Semiconductor."

Diodes Incorporated is a leading supplier of discrete semiconductor products to the automotive, electronics/computing and telecommunications industries. Its products include a broad line of standard, zener and signal diodes, bridge rectifiers, small signal transistors, transient voltage suppressors (TVSs), and power MOSFETs.

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