

For Immediate Release

Joseph Liu
Chief Financial Officer
Diodes Incorporated
(805) 446-4800

Philip Bourdillon
Silverman Heller Associates
(310) 280-2550

**DIODES ANNOUNCES FOURTH QUARTER
AND YEAR-END RESULTS**

Westlake Village, California - February 27, 1997 - Diodes Incorporated (ASE: DIO) today announced revenues and earnings for its fourth quarter and twelve months ended December 31, 1996.

Revenues for the quarter were \$14,969,000 versus \$14,057,000 in the same period last year, an increase of 6.5%, marking the first time in 1996 that quarterly revenues exceeded those in 1995. Net income of \$808,000, including a one-time charge associated with the Kai Hong joint venture (a previously-announced surface-mount manufacturing facility in mainland China), decreased 39.6%, and earnings per share were \$0.15 compared to \$0.25 in the same period last year. Fourth-quarter earnings showed improvement over the immediately preceding quarter, having increased 7.0% on a 4.0% increase in revenues.

Fourth quarter results include a one-time charge of \$660,000 for pre-operating costs associated with Kai Hong. These costs had been capitalized during start-up phases through the joint venture's first six months of operations, and were fully amortized upon commencement of full-scale operations in the fourth quarter. This accounting practice is consistent with preferred methods discussed by regulators and accounting standard setters in December 1996. Without the start-up costs associated with Kai Hong, SG&A in the fourth quarter would have been approximately 15.6% of sales, in line with SG&A that was 15.4% of sales in the same period a year ago.

Revenues for the twelve months ended December 31st were \$56,019,000 versus \$58,190,000 in the same period a year ago, a decrease of 3.7%. Net income for the twelve months, affected by gross margin pressures and the one-time charge associated with Kai Hong, decreased 36.9% to \$3.0 million, and earnings per share were \$0.55 compared to \$0.90 in 1995.

"Without question," said David Lin, President and CEO of Diodes, "1996 was a challenging year, especially in comparison to Diodes' record performance in 1995. However, starting in the third quarter, and increasingly throughout the fourth quarter, we have seen signs that demand for our products is improving. This, in combination with the addition of key marketing personnel, the Kai Hong operation in full production, and our ongoing program to control expenses, should positively affect the Company's profitability in 1997. We are pleased to report that, beginning in

the first quarter of 1997, Kai Hong is now making a positive contribution to the Company's bottom line."

Mr. Lin noted that the Company's recent success in raising gross margins has been due in part to improved inventory management. "Gross margins throughout 1996," continued Mr. Lin, "were affected by pricing pressures within the industry, due largely to excess capacity among semiconductor manufacturers. However, we anticipate stronger unit demand in the first-half of 1997 when compared to the last six months of 1996. We also expect both gross margins and operating margins to be positively affected by stronger market demand combined with the programs installed in 1996. "

Diodes Incorporated is a key provider of high-quality discrete semiconductor devices to leading manufacturers in the automotive, electronics, computing and telecommunications industries. Diodes' products include small signal transistors, medium-power 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.

(Statement of Income Follows)

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	1996	1995	1996	1995
Net sales	\$ 14,969	\$ 14,057	\$ 56,019	\$ 58,190
Cost of goods sold	10,795	10,107	41,177	41,727
Gross profit	4,174	3,950	14,842	16,463
Selling, general and administrative expenses	2,989	2,158	10,386	9,522
Income from operations	1,185	1,792	4,456	6,941
Other income (expense)				
Interest income	43	24	187	46
Interest expense	(117)	(70)	(538)	(190)
Commissions and other	30	126	295	513
Minority interest in joint venture	155	--	238	--
	111	80	182	369
Income before income taxes	1,296	1,872	4,638	7,310
Provision for income taxes	488	535	1,673	2,610
Net income	\$ 808	\$ 1,337	\$ 2,965	\$ 4,700
Earnings per share				
Primary	\$ 0.15	\$ 0.25	\$ 0.55	\$ 0.90
Fully-diluted	\$ 0.15	\$ 0.25	\$ 0.55	\$ 0.90
Weighted average shares outstanding				
Primary	5,274	5,259	5,362	5,220
Fully-diluted	5,373	5,259	5,373	5,220