

# For Immediate Release

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## **DIODES ANNOUNCES SECOND-QUARTER RESULTS Net Income Up 120% on Higher Revenues**

**Westlake Village, California — July 28, 1997 — Diodes Incorporated (ASE: DIO)** today announced revenues and earnings for its second quarter and six months ended June 30, 1997.

Revenues for the quarter increased 15.5% to \$15,541,000 from \$13,450,000 in the same period last year. Net income more than doubled to \$1,229,000 from \$555,000 a year ago, and earnings per share were \$0.23 compared to \$0.11 in the second quarter of 1996.

Revenues for the six months ended June 30, 1997 increased 20.2% to \$32,031,000 from \$26,656,000 in the same period a year ago. Net income increased 72.0% to \$2,413,000 from \$1,403,000, and earnings per share were \$0.45 versus \$0.27 in the first six months of 1996.

David Lin, President and CEO of Diodes, said, "We continue to tighten our management of inventory, and we have not had the margin pressures we witnessed a year ago when there was considerable excess capacity among semiconductor manufacturers. Gross margins have been positively affected primarily as a result of the additional gross profit from Kai Hong, now fully operational and profitable." Kai Hong is a Shanghai-based manufacturing facility for the production of SOT 23s and related devices, in which the Company, with a 70% controlling interest, has invested almost \$3 million to date.

"Diodes' bottom line," continued Mr. Lin, "has been further enhanced by the fact that, as a start-up joint venture on mainland China, Kai Hong enjoys favorable tax treatment that is expected to continue for the next four years." Commenting on the outlook for the balance of the year, Mr. Lin expressed optimism that, with continuing demand for the Company's products and the ongoing contribution of the Kai Hong operation, Diodes should achieve continued growth in top-and bottom-line results.

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.*

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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)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Net sales	\$ 15,541,000	\$ 13,450,000	\$ 32,031,000	\$ 26,656,000
Cost of goods sold	<u>10,854,000</u>	<u>9,995,000</u>	<u>22,642,000</u>	<u>19,488,000</u>
Gross profit	4,687,000	3,455,000	9,389,000	7,168,000
Selling, general and administrative expenses	<u>3,050,000</u>	<u>2,552,000</u>	<u>6,079,000</u>	<u>5,009,000</u>
Income from operations	1,637,000	903,000	3,310,000	2,159,000
Other income (expense)				
Interest income	88,000	42,000	133,000	89,000
Interest expense	(97,000)	(149,000)	(200,000)	(272,000)
Minority interest in joint venture earnings	(158,000)	11,000	(248,000)	11,000
Commissions and other	<u>113,000</u>	<u>57,000</u>	<u>202,000</u>	<u>178,000</u>
	(54,000)	(39,000)	(113,000)	6,000
Income before income taxes	1,583,000	864,000	3,197,000	2,165,000
Provision for income taxes	<u>354,000</u>	<u>309,000</u>	<u>784,000</u>	<u>762,000</u>
Net income	<u>\$ 1,229,000</u>	<u>\$ 555,000</u>	<u>\$ 2,413,000</u>	<u>\$ 1,403,000</u>
Earnings per share				
Primary	\$ 0.23	\$ 0.11	\$ 0.45	\$ 0.27
Fully-diluted	<u>\$ 0.23</u>	<u>\$ 0.11</u>	<u>\$ 0.45</u>	<u>\$ 0.27</u>
Weighted average shares outstanding				
Primary	5,435,581	5,224,618	5,391,507	5,226,401
Fully-diluted	<u>5,435,581</u>	<u>5,224,618</u>	<u>5,416,450</u>	<u>5,226,401</u>