UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended SEPTEMBER 30, 2001

Or

[ ] Transition Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934
For the transition period from _______ to ________.

COMMISSION FILE NUMBER: 1-5740

DIODES INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE	95-2039518
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
3050 EAST HILLCREST DRIVE WESTLAKE VILLAGE, CALIFORNIA	91362
(Address of principal executive offices)	(Zip code)

(805) 446-4800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

The number of shares of the registrant's Common Stock, $0.66 2/3 par value, outstanding as of November 2, 2001 was 9,223,705, including 1,075,672 shares of treasury stock.

PART I - FINANCIAL INFORMATION

ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS

	DECEMBER 31, 2000	SEPTEMBER 30, 2001 (UNAUDITED)
CURRENT ASSETS		
Cash	$ 4,476,000	$ 2,531,000
Accounts receivable		
Customers	19,723,000	19,924,000
Related parties	615,000	1,412,000
Other	26,000	--
	20,364,000	21,336,000
Less allowance for doubtful receivables	311,000	249,000
	20,053,000	21,087,000
Inventories	31,788,000	20,899,000
Deferred income taxes, current	4,387,000	4,382,000
Prepaid expenses and other current assets	686,000	1,407,000
Total current assets	61,390,000	50,306,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	45,129,000	46,326,000
DEFERRED INCOME TAXES, non-current	616,000	2,914,000
OTHER ASSETS		
Goodwill, net	5,318,000	5,386,000
Other	497,000	593,000
TOTAL ASSETS	$112,950,000	$105,525,000

The accompanying notes are an integral part of these financial statements.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	DECEMBER 31, 2000	SEPTEMBER 30, 2001
		(UNAUDITED)
CURRENT LIABILITIES		
Line of credit	$ 7,750,000	$ 7,604,000
Accounts payable		
Trade	10,710,000	5,712,000
Related parties	1,008,000	3,384,000
Accrued liabilities	8,401,000	6,115,000
Income taxes payable	1,370,000	--
Current portion of long-term debt		
Related party	11,049,000	4,490,000
Other	3,811,000	3,647,000
Total current liabilities	44,099,000	30,952,000
LONG-TERM DEBT, net of current portion		
Related party	2,500,000	8,750,000
Other	13,497,000	12,467,000
MINORITY INTEREST IN JOINT VENTURE	1,601,000	1,776,000
STOCKHOLDERS' EQUITY		
Class A convertible preferred stock - par value $1.00 per share; 1,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock - par value $0.66 2/3 per share; 30,000,000 shares authorized; 9,201,704 and 9,223,705 shares issued and outstanding at December 31, 2000 and September 30, 2001, respectively	6,134,000	6,149,000
Additional paid-in capital	7,143,000	7,231,000
Retained earnings	39,758,000	40,184,000
Foreign currency translation loss	--	(202,000)
	53,035,000	53,362,000
Less:		
Treasury stock -- 1,075,672 shares of common stock, at cost	1,782,000	1,782,000
Total stockholders' equity	51,253,000	51,580,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 112,950,000	$ 105,525,000

The accompanying notes are an integral part of these financial statements.

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

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	2001	2000	2001
NET SALES	$ 32,332,000	$ 22,698,000	$ 92,369,000	$ 69,447,000
COST OF GOODS SOLD	21,211,000	20,279,000	62,322,000	58,863,000
Gross profit	11,121,000	2,419,000	30,047,000	10,584,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,050,000	3,845,000	14,862,000	10,482,000
Income (loss) from operations	6,071,000	(1,426,000)	15,185,000	102,000
OTHER INCOME (EXPENSE)				
Interest income	128,000	80,000	323,000	222,000
Interest expense	(332,000)	(592,000)	(920,000)	(1,903,000)
Other	135,000	94,000	181,000	211,000
	(69,000)	(418,000)	(416,000)	(1,470,000)
Income (loss) before income taxes and minority interest	6,002,000	(1,844,000)	14,769,000	(1,368,000)
INCOME TAX BENEFIT (PROVISION)	(1,170,000)	1,052,000	(2,197,000)	1,741,000
Income (loss) before minority interest	4,832,000	(792,000)	12,572,000	373,000
MINORITY INTEREST IN JOINT VENTURE EARNINGS	(182,000)	(55,000)	(462,000)	(174,000)
NET INCOME (LOSS)	$ 4,650,000	$ (847,000)	$ 12,110,000	$ 199,000
EARNINGS (LOSS) PER SHARE				
Basic	$ 0.57	$ (0.10)	$ 1.50	$ 0.02
Diluted	$ 0.50	$ (0.10)	$ 1.31	$ 0.02
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	8,101,667	8,147,902	8,053,675	8,142,333
Diluted	9,260,765	8,815,581	9,259,095	8,928,711

The accompanying notes are an integral part of these financial statements.

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

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	2001	2000	2001
NET INCOME (LOSS)	$ 4,650,000	$ (847,000)	$12,110,000	$ 199,000
Other comprehensive income (loss), net of tax:				
Change in foreign currency translation adjustment	--	(202,000)	--	(202,000)
COMPREHENSIVE INCOME (LOSS)	$ 4,650,000	$(1,049,000)	$12,110,000	$ (3,000)

The accompanying notes are an integral part of these financial statements.

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30, 2000	NINE MONTHS ENDED SEPTEMBER 30, 2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 12,110,000	$ 199,000
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	3,336,000	5,946,000
Minority interest earnings	462,000	174,000
Interest income accrued on advances to vendor	(143,000)	--
Changes in operating assets:		
Accounts receivable	(5,978,000)	(1,034,000)
Inventories	(8,426,000)	10,889,000
Prepaid expenses and other assets	(170,000)	(3,110,000)
Changes in operating liabilities:		
Accounts payable	2,739,000	(2,622,000)
Accrued liabilities	3,037,000	(2,286,000)
Income taxes payable	218,000	(1,370,000)
Net cash provided by operating activities	7,185,000	6,786,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,310,000)	(7,143,000)
Collections on note receivable	162,000	--
Net cash used by investing activities	(14,148,000)	(7,143,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on (repayments of) line of credit, net	4,862,000	(146,000)
Net proceeds from the issuance of capital stock	589,000	103,000
Proceeds from (repayments of) long-term obligations	966,000	(1,503,000)
Other	(44,000)	(42,000)
Net cash provided (used) by financing activities	6,373,000	(1,588,000)
DECREASE IN CASH	(590,000)	(1,945,000)
CASH AT BEGINNING OF PERIOD	3,557,000	4,476,000
CASH AT END OF PERIOD	$ 2,967,000	$ 2,531,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 597,000	$ 1,681,000
Income taxes	$ 1,994,000	$ 1,922,000

The accompanying notes are an integral part of these financial statements.

NOTE A -- BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. They do not include all information and footnotes necessary for a fair presentation of financial position and results of operations and cash flows in conformity with generally accepted accounting principles. These consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2000. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair presentation have been included in the interim period. Operating results for the nine months ended September 30, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001.

The consolidated financial statements include the accounts of the Company and its wholly-owned foreign subsidiary, Diodes Taiwan Co., Ltd. ("Diodes-Taiwan"), the accounts of Shanghai KaiHong Electronics Co., Ltd. ("Diodes-China") in which the Company has a 95% interest, and the accounts of FabTech Incorporated ("FabTech" or "Diodes-FabTech"), which the Company acquired in December 2000. All significant intercompany balances and transactions have been eliminated.

NOTE B -- RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill (and intangible assets deemed to have indefinite lives) will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

The Company will apply the new rules on accounting for goodwill beginning in the first quarter of 2002. During 2002, the Company will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002. The Company has not yet determined what effect the implementation of these new rules will have on the earnings and financial position of the Company. Application of the non-amortization provisions of the Statements is expected to result in an increase in net income of approximately $288,000 ($0.03 per share) per year, assuming no impairment adjustment.

NOTE C -- FUNCTIONAL CURRENCIES AND FOREIGN CURRENCY TRANSLATION

Through June 30, 2001, the functional currency of Diodes-Taiwan has been the U.S. dollar. Effective July 1, 2001, the Company changed the functional currency of Diodes-Taiwan to the local currency in Taiwan. As a result of this change, the translation of the balance sheet and statement of income of Diodes-Taiwan from the local currency into the reporting currency (US dollar) results in translation adjustments, the effect of which is reflected in the accompanying statement of comprehensive income and on the balance sheet as a separate component of shareholders' equity.

The Company believes this reporting change most appropriately reflects the current economic facts and circumstances of the operations of Diodes-Taiwan. The Company continues to use the U.S. dollar as the functional currency in Diodes-China as substantially all monetary transactions are made in that currency, and other significant economic facts and circumstances currently support that position. As these factors may change in the future, the Company will periodically assess its position with respect to the functional currency of Diodes-China.

NOTE D -- INVENTORIES

Inventories are stated at the lower of cost or market value. Cost is determined principally by the first-in, first-out method.

	DECEMBER 31, 2000	SEPTEMBER 30, 2001
Finished goods	$18,603,000	$11,916,000
Work-in-progress	2,683,000	1,944,000
Raw materials	10,502,000	7,039,000
	$31,788,000	$20,899,000

NOTE E -- INCOME TAXES

The Company accounts for income taxes using an asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the tax effect of differences between the financial statement and tax basis of assets and liabilities. Accordingly, the Company has recorded a net deferred tax asset of $7.3 million resulting from temporary differences in bases of assets and liabilities. This deferred tax asset results primarily from inventory reserves and certain expense accruals, which are not currently deductible for income tax purposes.

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are; 1) currently the effective tax rate of Diodes-China is approximately 2%, and as discussed below, deferred U.S. federal and state income taxes are not provided on these earnings, and 2) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

As of September 30, 2001, accumulated and undistributed earnings of Diodes-China are approximately $23.1 million. The Company has not recorded a deferred tax liability (estimated to be $9.5 million) on these earnings since the Company considers this investment to be permanent, and has no plans, intentions or obligation to distribute all or part of that amount from China to the United States. The Company will consider the need to provide deferred taxes on future earnings of Diodes-China, as further investment strategies with respect to Diodes-China are determined.

NOTE F -- STOCK SPLIT

On July 14, 2000, the Company effected a three-for-two stock split for shareholders of record as of June 28, 2000. All share and per share amounts in the accompanying financial statements reflect the effect of this stock split.

NOTE G -- SEGMENT INFORMATION

Information about the Company's operations in North America and the Far East are presented below. Items transferred among the Company and its subsidiaries are transferred at prices to recover costs plus an appropriate mark up for profit. Inter-company revenues, profits and assets have been eliminated to arrive at the consolidated amounts.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief decision-making group consists of the President and Chief Executive Officer, the Vice President of Sales and Marketing, the Chief Financial Officer and the Vice President of Far East Operations.

The Company's reportable operating segments include the domestic operations (Diodes and FabTech) located in the United States and the Far East operations (Diodes-Taiwan located in Taipei, Taiwan; and

Diodes-China located in Shanghai, China). Diodes-North America procures and distributes products primarily throughout North America and provides management, warehousing, engineering and logistics support. As a component of the North American segment, FabTech, Inc. manufactures and distributes 5-inch silicon wafers primarily to trade customers, as well as for use in the Company's internal manufacturing processes at Diodes-China. Diodes-Taiwan markets and sells discrete semiconductor devices throughout the Far East and to Diodes Incorporated. Diodes-China manufactures discrete semiconductor devices for sale to Diodes Incorporated, Diodes-Taiwan and third-party customers in the Far East.

THREE MONTHS ENDED SEPTEMBER 30, 2000	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
Total sales	$ 29,645,000	$ 18,587,000	$ 48,232,000
Inter-segment sales	(15,014,000)	(886,000)	(15,900,000)
Net sales	$ 14,631,000	$ 17,701,000	$ 32,332,000
Depreciation and amortization	$ 1,165,000	$ 84,000	$ 1,249,000
Operating income	$ 5,008,000	$ 1,063,000	$ 6,071,000
Assets	$ 62,602,000	$ 24,744,000	$ 87,346,000
Capital expenditures	$ 8,167,000	$ 178,000	$ 8,345,000

THREE MONTHS ENDED SEPTEMBER 30, 2001	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
Total sales	$ 19,573,000	$ 12,258,000	$ 31,831,000
Inter-segment sales	(8,381,000)	(752,000)	(9,133,000)
Net sales	$ 11,192,000	$ 11,506,000	$ 22,698,000
Depreciation and amortization	$ 1,437,000	$ 407,000	$ 1,844,000
Operating income	$ 1,180,000	$ (2,606,000)	$ (1,426,000)
Assets	$ 61,269,000	$ 44,256,000	$ 105,525,000
Capital expenditures	$ 405,000	$ 196,000	$ 601,000

NINE MONTHS ENDED SEPTEMBER 30, 2000	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
Total sales	$ 80,425,000	$ 52,763,000	$ 133,188,000
Inter-segment sales	(38,508,000)	(2,311,000)	(40,819,000)
Net sales	$ 41,917,000	$ 50,452,000	$ 92,369,000
Depreciation and amortization	$ 3,085,000	$ 251,000	$ 3,336,000
Operating income	$ 14,619,000	$ 566,000	$ 15,185,000
Assets	$ 62,602,000	$ 24,744,000	$ 87,346,000
Capital expenditures	$ 13,712,000	$ 599,000	$ 14,311,000

NINE MONTHS ENDED SEPTEMBER 30, 2001	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
Total sales	$ 52,554,000	$ 41,402,000	$ 93,956,000
Inter-segment sales	(21,980,000)	(2,529,000)	(24,509,000)
Net sales	$ 30,574,000	$ 38,873,000	$ 69,447,000
Depreciation and amortization	$ 4,369,000	$ 1,577,000	$ 5,946,000
Operating income	$ 4,469,000	$ (4,367,000)	$ 102,000
Assets	$ 61,269,000	$ 44,256,000	$ 105,525,000
Capital expenditures	$ 5,884,000	$ 1,259,000	$ 7,143,000

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Except for the historical information contained herein, the matters addressed in this Item 2 constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are subject to a variety of risks and uncertainties, including those discussed below under the heading "Factors That May Affect Future Results" and elsewhere in this Quarterly Report on Form 10-Q, that could cause actual results to differ materially from those anticipated by the Company's management. The Private Securities Litigation Reform Act of 1995 (the "Act") provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made on this Quarterly Report on Form 10-Q are made pursuant to the Act.

GENERAL

Diodes Incorporated (the "Company") is a manufacturer and distributor of high-quality discrete semiconductor devices to leading manufacturers in the communications, computer, industrial, consumer electronics and automotive industries, and to distributors of electronic components. The Company's products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, diodes, rectifiers and bridges, as well as silicon wafers used in manufacturing these products.

For financial reporting purposes, the Company is deemed to engage in two industry segments: North America and the Far East. Both segments focus on discrete semiconductor devices. The North American segment includes the corporate offices in California ("Diodes-North America") as well as FabTech, Inc. ("FabTech" or "Diodes-FabTech"), the newly acquired 5-inch wafer foundry located in Missouri. Diodes-North America procures and distributes products primarily throughout North America and provides management, warehousing, engineering and logistics support. Diodes-FabTech manufactures silicon wafers for use by Diodes-China as well as for sale to its customer base. The Far East segment includes the operations of Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China manufactures product for, and distributes product to, both Diodes-North America and Diodes-Taiwan, as well as to trade customers. Diodes-Taiwan is the Company's Asia-Pacific sales, logistics and distribution center, and procures product from, and distributes product primarily to, customers in Taiwan, Korea, Singapore and Hong Kong, and to Diodes-North America.

The discrete semiconductor industry, in which the Company competes, has historically had periods of severe pricing pressures. Although manufacturing costs have been falling, excess manufacturing capacity and over-inventory has caused selling prices to fall to a greater extent than manufacturing cost. To compete in this highly competitive industry, in recent years, the Company has committed substantial resources to the development and implementation of two areas of operation: (i) sales and marketing, and (ii) manufacturing. Emphasizing the Company's focus on customer service, additional sales personnel and programs have been added. In order to meet customers' needs at the design stage of end-product development, the Company has also employed additional applications engineers. These applications engineers work directly with customers to assist them in "designing in" the correct products to produce optimum results. Regional sales managers, working closely with manufacturers' representatives and distributors, have also been added in North America, Europe and the Far East to help satisfy customers' requirements. In addition, the Company has continued to develop relationships with major distributors who inventory and sell the Company's products. For a description of the Company's manufacturing capacity, see "Manufacturing and Vendors."

SALES

The Company's products are sold primarily in North America and the Far East, both directly to end users and through electronic component distributors. Beginning in 1998, the Company has increased the amount of product shipped to larger distributors. Although these sales are significant in terms of total sales dollars and gross margin dollars, they generally are under agreements that resulted in lower gross profit margins for the Company when compared to sales to smaller distributors and OEM customers. As the consolidation of electronic component distributors continues, the Company anticipates that a greater portion of its distributor sales will be to the larger distributors, and thus may result in lower gross profit margins for this sales channel.

In 1999, Diodes-Taiwan began purchasing silicon wafers, a new product line, from FabTech for resale to customers in the Far East. The gross margin percentage on sales of silicon wafers is currently far below that of the Company's standard product line. Initially a complementary service for some customers rather than a focused product line, silicon wafers will now be a focused product line supplied by FabTech to its current customer base, as well as to Diodes-China for use in its manufacturing process. Silicon wafer sales to trade customers were $3.5 million and $1.0 million, for the three months ended September 30, 2001 and 2000, respectively, and $11.4 million and $5.9 million for the nine months ended September 30, 2001 and 2000, respectively.

The Company has recently expanded its Far East sales force to be able to expand sales and to more effectively service accounts in Taiwan, Hong Kong, Mainland China and other areas that the Company believes are positioned for rapid growth. In addition, the Company has initiated a sales team in Europe to serve the UK, France, Germany, Italy and Israel, among others, and is actively sampling customers and taking orders.

MANUFACTURING AND VENDORS

The Company's Far East manufacturing subsidiary, Diodes-China, manufactures product for sale primarily to customers in North America and the Far East. Diodes-China's manufacturing focuses on miniature surface- mount packages for diodes and transistors, starting with single chip implementations and adding multi-chip packaging to meet custom requirements reducing the space required in end equipment. These surface-mount devices ("SMD") are much smaller in size and are used primarily in the computer and communication industries, destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, as well as in consumer products such as garage door transmitters and other electronic devices. Diodes-China's state-of-the-art facilities have been designed to develop even smaller, higher-density products as electronic industry trends to portable and hand-held devices continue. Currently, Diodes-China is operating at approximately 52% of capacity (up from 45% last quarter) and reporting an operating profit. Although Diodes-China purchases processed silicon wafers from FabTech for use in its manufacturing process, the majority currently are purchased from other wafer vendors.

Since 1997, the Company's manufacturing focus has primarily been in the development and expansion of Diodes-China. To date, the Company and its 5% minority partner have increased property, plant and equipment at the facility to approximately $44.9 million. The equipment expansion allows for the manufacture of additional SOT-23 packaged components as well as other surface-mount packaging, including the smaller SOD packages. As the industry requires manufacturing of smaller and more efficient products that meet the technical requirements of customers seeking to integrate multiple technologies within one package, the Company will continue to increase manufacturing capacity as worldwide demand warrants.

In addition, the Company will continue its strategic plan of locating alternate sources of its products and raw materials, including those provided by its major suppliers. Alternate sources include, but are not limited to sourcing agreements in place, as well as those in negotiation. The Company anticipates that the effect of the loss of any one of its major suppliers will not have a material adverse effect on the Company's operations, provided that alternate sources remain available. The Company continually evaluates alternative sources of its products to assure its ability to deliver high-quality, cost-effective products.

FABTECH

Acquired on December 1, 2000 from Lite-On Semiconductor Corporation ("LSC"), FabTech's wafer foundry is located in Lee's Summit, Missouri. As of September 30, 2001, LSC owns approximately 37.6% of the outstanding Common Stock of the Company. FabTech manufactures primarily 5-inch silicon wafers (the building blocks for semiconductors) that are used to make Schottky diodes and rectifiers. FabTech has full foundry capabilities including processes such as silicon epitaxy, silicon oxidation, photolithography and etching, ion implantation and diffusion, low pressure and plasma enhanced chemical vapor deposition, sputtered and evaporated metal deposition, wafer backgrinding, and wafer probe and ink.

FabTech purchases polished silicon wafers, and then by using the various technologies listed above, in conjunction with many chemicals and gases, fabricates several layers on the wafers, including epitaxial silicon, ion implants, dielectrics, and metals, with various patterns. Depending upon these layers and the die size (which is determined during the photolithography process and completed at the customer's packaging site where the wafer is sawed into square or rectangular die), wafers, with different types of diodes with various currents, voltages, and switching speeds, are produced. Currently, Diodes-FabTech is operating at approximately 45% of capacity (up from 35% last quarter) and reporting an operating loss.

The FabTech purchase price consisted of approximately $6 million in cash and an earnout of up to $30 million over a four-year period if FabTech meets specified earnings targets. As of September 30, 2001, due to the industry downturn, it is unlikely these specified earning targets would be met for 2001. In addition, FabTech is obligated to repay an aggregate of approximately $19 million, consisting of (i) approximately $13.6 million payable, together with interest at LIBOR plus 1%, to LSC through March 31, 2002, (ii) approximately $2.6 million payable, together with interest at LIBOR plus 1.1%, to the Company through February 28, 2001 and (iii) approximately $3.0 million payable to a financial institution, which amount was repaid on December 4, 2000 with the proceeds of a capital contribution by the Company. The acquisition was financed internally and through bank credit facilities.

The Company has recently re-negotiated its obligation to LSC. The new terms consist of a monthly payment of approximately $500,000 plus interest accrued (based upon LIBOR plus 1.0%) per month beginning in July 2001 for the remainder of the year, followed by the remaining balance of $10,000,000 payable in 24 equal monthly installments, together with interest at the rate of LIBOR plus 2.0%, commencing on July 31, 2002. Accrued interest on the $10,000,000 will be paid monthly beginning in July 2001.

RECENT RESULTS

Starting in the second half of 1999, and continuing through the first three quarters of 2000, industry demand exceeded industry capacity. In addition, OEM customers and distributors increased their inventory levels. As a result, the Company's gross profit margins reached a peak of 34.4% in the third quarter of 2000.

As semiconductor manufacturers, including the Company, rapidly invested in plant and equipment to increase their capacity, the semiconductor industry experienced a sharp inventory correction primarily in two key markets, communications and computers. Compounding this inventory correction, economies (primarily the U.S. and the Far East) slowed, causing a sharp decline in sales in the fourth quarter of 2000.

The excess capacity, combined with the decreased demand and higher customer inventory levels, continued into 2001. Although the Company's market share has remained stable, market conditions have not improved. Because of this, the Company expects lower gross profit margins until such a time as demand increases and the Company utilizes more of its available manufacturing capacity.

The impact to earnings is largely attributable to lower unit sales, pricing pressures, reduced capacity utilization of the Company's manufacturing assets and demand-induced product mix changes, all which have had a negative impact on gross margins. Due to market conditions, 2001 average capacity utilization at Diodes-FabTech has decreased approximately 35% as compared to the previous year, while Diodes-China's utilization has decreased 25%. From the second quarter to the third quarter of 2001, capacity utilization has increased. Presently, the manufacturing facility in China is running at approximately 52% of total capacity, up from 45% last quarter, and FabTech has improved to 45% from 35%.

Gross margins decreased from 19.3% in the second quarter of 2001, to 10.7% in the third quarter of 2001. The lower gross margin percentage was primarily due to pricing adjustments at distributors related to decreased market prices, and to inventory adjustments at FabTech due to lower wafer pricing.

The risks of becoming a fully integrated manufacturer are amplified in an industry-wide slowdown because of the fixed costs associated with manufacturing facilities. The Company has responded to this cyclical downturn by implementing programs to cut operating costs, including reducing its worldwide workforce by 26%, primarily at the FabTech and Diodes-China manufacturing facilities. The Company will continue to actively adjust its cost structure as dictated by market conditions.

Although no clear short-term change in market conditions exist, the Company believes that long-term it will continue to generate value for shareholders and customers, not just from its expanded Diodes-China manufacturing and FabTech's foundry assets, but also by the addition of this true technology component to the Company. Although market conditions changed just as the new initiative started, the Company will continue to pursue its goal of becoming a total solution provider. This is a multi-year initiative that will increase the Company's ability to serve its customers' needs, while establishing the Company at the forefront of the next generation of discrete technologies.

TAXES

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are; 1) currently the effective tax rate of Diodes-China is approximately 2%, and deferred U.S. federal and state income taxes are not provided on these earnings, and 2) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

From 2001 through 2003, the tax rate at Diodes-China is expected to be approximately 12% (the normal tax rate is 27%). The Company, however, has received special incentives due to its advanced technology status from the local government that reduces the effective rate to approximately 2%. Currently, no assurances can be made regarding the duration of this preferential treatment. Diodes-China accrues an offsetting monthly tax credit and recovers the special incentive on a quarterly basis.

In accordance with tax treaty arrangements, the Company receives full credit against its U.S. federal tax liability for corporate taxes paid in Taiwan and China. The repatriation of funds from Taiwan and China to the Company may be subject to state income taxes. In the years ending December 31, 1999 and 2000, Diodes-Taiwan distributed dividends of approximately $1.5 million and $2.6 million, respectively, which is included in federal and state taxable income. Deferred taxes have been provided for all remaining undistributed earnings of Diodes-Taiwan.

As of September 30, 2001, accumulated and undistributed earnings of Diodes-China are approximately $23.1 million. The Company has not recorded deferred federal or state tax liabilities (estimated to be $9.5 million) on these earnings since the Company considers its investment in Diodes-China to be permanent, and has no plans, intentions or obligation to distribute all or part of that amount from China to the United States.

Each quarter the Company assesses its position with respect to its investment plans and monetary policies as they relate to the recognition of deferred tax liabilities on the earnings at Diodes-China. At such time the Company plans to cease reinvesting its earnings in Diodes-China, deferred income taxes would be provided on incremental earnings of Diodes-China thereafter.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2000 AND 2001

The following table sets forth, for the periods indicated, the percentage that certain items in the statement of income bear to net sales and the percentage dollar increase (decrease) of such items from period to period.

	PERCENT OF NET SALES THREE MONTHS ENDED SEPTEMBER 30,		PERCENTAGE DOLLAR INCREASE (DECREASE)
	2000	2001	'00 TO '01
Net sales	100.0%	100.0%	(29.8)%
Cost of goods sold	(65.6)	(89.3)	(4.4)
Gross profit	34.4	10.7	(78.2)
Selling, general & administrative expenses ("SG&A")	(15.6)	(16.9)	(23.9)
Income from operations	18.8	(6.2)	(123.5)
Interest expense, net	(0.6)	(2.3)	151.0
Other income	0.4	0.4	(30.4)
Income before taxes and minority	18.6	(8.1)	(130.7)
Income taxes	(3.6)	4.6	(189.9)
Income before minority interest	15.0	(3.5)	(116.4)
Minority interest	(0.6)	(0.2)	(69.8)
Net income	14.4	(3.7)	(118.2)

The following discussion explains in greater detail the consolidated operating results and financial condition of the Company for the three months ended September 30, 2001 compared to the three months ended September 30, 2000. This discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

	2000	2001
NET SALES	$ 32,332,000	$ 22,698,000

Net sales decreased approximately $9.6 million, or 29.8%, for the three months ended September 30, 2001, compared to the same period last year, due primarily to a 15.8% decrease in units sold as a result of decreased demand attributable to a slow economy and higher than normal customer inventory, and due to market pricing pressures. The Company's average selling price ("ASP") decreased approximately 26% from the same three-month period last year, primarily in the

Far East. However, pricing seems to have begun to stabilize as ASP's decreased approximately 2% from last quarter. Diodes-FabTech, acquired in December 2000, contributed trade sales of $3.3 million in the third quarter of 2001.

	2000	2001
COST OF GOODS SOLD	$22,211,000	$20,279,000
GROSS PROFIT	$11,121,000	$ 2,419,000
GROSS PROFIT MARGIN PERCENTAGE	34.4%	10.7%

Gross profit decreased approximately $8.7 million, or 78.2%, for the three months ended September 30, 2001 compared to the year ago period. Of the $8.7 million decrease, approximately $3.3 million was due to the 29.8% decrease in net sales, while $5.4 million was due to the decrease in gross margin percentage from 34.4% to 10.7%. The lower gross margin percentage was primarily due to excess manufacturing capacity and lower sales prices. Pricing adjustments of approximately $700,000 at distributors related to decreased market prices, and to inventory adjustments of approximately $400,000 at FabTech due to lower wafer pricing also contributed to the decrease in gross margin percentage. Excluding these pricing adjustments, the gross profit margin would have been approximately 15.4% for the third quarter of 2001. The Company expects lower than historical gross profit margins until such a time as demand increases and the Company utilizes more of its available manufacturing capacity. Currently, Diodes-China is running at approximately 52% of total capacity, up from 45% last quarter, and FabTech has improved to 45% from 35% last quarter.

	2000	2001
SG&A	$ 5,050,000	$ 3,845,000

SG&A for the three months ended September 30, 2001 decreased approximately $1.2 million, or 23.9%, compared to the same period last year, due primarily to lower sales commissions associated with the 29.8% decrease in sales, and lower wages and benefits expenses resulting from a work-force reduction which began in the fourth quarter of 2000. SG&A also decreased due to lower corporate and administrative expenses, partly offset by the inclusion of the SG&A expenses and goodwill amortization associated with the December 2000 FabTech acquisition. SG&A, as a percentage of sales, increased from 15.6% to 16.9% in the comparable period last year, due to lower sales.

	2000	2001
INTEREST INCOME	$ 128,000	$ 80,000
INTEREST EXPENSE	$ 332,000	$ 592,000
NET INTEREST EXPENSE	$ 204,000	$ 512,000

Net interest expense for the three months ended September 30, 2001 increased approximately $260,000 versus the same period last year, due primarily to an increase in the Company's total debt. The Company's interest expense is primarily the result of the Company's financing of the FabTech acquisition, as well as the investment in the Diodes-China manufacturing facility. The Company expects interest expense to increase significantly in 2001, compared to 2000, as a result of the additional debt, primarily associated with its acquisition of FabTech.

	2000	2001
OTHER INCOME (EXPENSE)	$ 135,000	$ 94,000

Other income for the three months ended September 30, 2001 decreased approximately $41,000 compared to the same period last year, due primarily to management incentives associated with the FabTech acquisition, partly offset by rental income generated by FabTech for the use of some of its testing facilities. As per the terms of the stock purchase agreement, the Company has entered into several management incentive agreements with members of FabTech's management. The agreements provide members of FabTech management guaranteed annual compensation as well as contingent compensation based on the annual profitability of FabTech, subject to a maximum annual amount. The total guaranteed commitment is $375,000 per year. Although this $375,000 is reimbursed to the Company by LSC (the previous owner of FabTech), because LSC is a majority shareholder in the Company, the $375,000 per year is booked as an expense.

	2000	2001
INCOME TAX BENEFIT (PROVISION)	$ (1,170,000)	$ 1,520,000

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are; 1) currently the effective tax rate of Diodes-China is approximately 2%, and deferred U.S. federal and state income taxes are not provided on these earnings, and 2) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

	2000	2001
MINORITY INTEREST IN JOINT VENTURE	$ (182,000)	$ (55,000)

Minority interest in joint venture represents the minority investor's share of the Diodes-China joint venture's income for the period. The decrease in the joint venture earnings for the three months ended September 30, 2001 is primarily the result of decreased gross margins due to excess capacity and demand-induced product mix changes, both internally and to external customers. The joint venture investment is eliminated in consolidation of the Company's financial statements, and the activities of Diodes-China are included therein. As of September 30, 2001, the Company had a 95% controlling interest in the joint venture.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 2001

The following table sets forth, for the periods indicated, the percentage that certain items in the statement of income bear to net sales and the percentage dollar increase (decrease) of such items from period to period.

	PERCENT OF NET SALES NINE MONTHS ENDED SEPTEMBER 30,		PERCENTAGE DOLLAR INCREASE (DECREASE)
	2000	2001	'00 TO '01
Net sales	100.0%	100.0%	(24.8)%
Cost of goods sold	(67.5)	(84.8)	(5.6)
Gross profit	32.5	15.2	(64.8)
Selling, general & administrative expenses ("SG&A")	(16.1)	(15.1)	(29.5)
Income from operations	16.4	0.1	(99.3)
Interest expense, net	(0.6)	(2.4)	182.4
Other income	0.2	0.3	19.3
Income before taxes and minority	16.0	(2.0)	(109.3)
Income taxes	(2.4)	2.5	(179.2)
Income before minority interest	13.6	0.5	(97.0)
Minority interest	(0.5)	(0.2)	(62.3)
Net income	13.1	0.3	(98.4)

The following discussion explains in greater detail the consolidated operating results and financial condition of the Company for the nine months ended September 30, 2001 compared to the nine months ended September 30, 2000. This discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

	2000	2001
NET SALES	$ 92,369,000	$ 69,447,000

Net sales decreased approximately $22.9 million, or 24.8%, for the nine months ended September 30, 2001, compared to the same period last year, due primarily to a 13.8% decrease in units sold as a result of decreased demand attributable to a slow economy and excess customer inventory, and due to market pricing pressures. The Company's average selling price ("ASP") decreased approximately 21% from the same nine-month period last year, primarily in the Far East. However, pricing seems to have begun to stabilize as ASP's decreased approximately 2% from last quarter. Diodes-FabTech, acquired in December 2000, contributed trade sales of $10.9 million in the first nine months of 2001.

	2000	2001
COST OF GOODS SOLD	$ 62,322,000	$ 58,863,000
GROSS PROFIT	$ 30,047,000	$ 10,584,000
GROSS PROFIT MARGIN PERCENTAGE	32.5%	15.2%

Gross profit decreased approximately $19.5 million, or 64.8%, for the nine months ended September 30, 2001 compared to the year ago period. Of the $19.5 million decrease, approximately $7.5 million was due to the 24.8% decrease in net sales, while $12.0 million was due to the decrease in gross margin percentage from 32.5% to 15.2%. The lower gross margin percentage was primarily due to excess manufacturing capacity and lower sales prices. Pricing adjustments at distributors related to decreased market prices, and inventory adjustments at FabTech due to lower wafer pricing also contributed to the decrease in gross margin percentage. The Company expects lower than historical gross profit margins until such a time as demand increases and the Company utilizes more of its available manufacturing capacity. Currently, Diodes-China is running at approximately 52% of total capacity, up from 45% last quarter, and FabTech has improved to 45% from 35% last quarter.

	2000	2001
SG&A	$ 14,862,000	$ 10,482,000

SG&A for the nine months ended September 30, 2001 decreased approximately $4.4 million, or 29.5%, compared to the same period last year, due primarily to lower sales commissions associated with the 24.8% decrease in sales, and lower wages and benefits expenses resulting from a work-force reduction which began in the fourth quarter of 2000. SG&A also decreased due to lower corporate and administrative expenses, partly offset by the inclusion of the SG&A expenses and goodwill amortization associated with the December 2000 FabTech acquisition. SG&A, as a percentage of sales, decreased to 15.1% from 16.1% in the comparable period last year.

	2000	2001
INTEREST INCOME	$ 323,000	$ 217,000
INTEREST EXPENSE	$ 920,000	$ 1,903,000
NET INTEREST EXPENSE	$ 597,000	$ 1,686,000

Net interest expense for the nine months ended September 30, 2001 increased approximately $1.1 million versus the same period last year, due primarily to an increase in the Company's total debt. The Company's interest expense is primarily the result of the Company's financing of the FabTech acquisition, as well as the investment in the Diodes-China manufacturing facility. The Company expects interest expense to increase significantly in 2001, compared to 2000, as a result of the additional debt, primarily associated with its acquisition of FabTech.

	2000	2001
OTHER INCOME (EXPENSE)	$ 181,000	$ 216,000

Other income for the nine months ended September 30, 2001 increased approximately $35,000 compared to the same period last year, due primarily to rental income generated by FabTech for the use of its testing facilities, partly offset by management incentives associated with the FabTech acquisition. As per the terms of the stock purchase agreement, the Company has entered into several management incentive agreements with members of FabTech's management. The agreements provide members of management guaranteed annual compensation as well as contingent compensation based on the annual profitability of FabTech, subject to a maximum annual amount. The guaranteed commitment is $375,000 per year. Although this $375,000 is reimbursed to the Company by LSC (the previous owner of FabTech), because LSC is a majority shareholder in the Company, the $375,000 per year is booked as an expense.

	2000	2001
INCOME TAX BENEFIT (PROVISION)	$ (2,197,000)	$ 1,741,000

The reported income tax rate as a percentage of pretax income differs from the statutory combined federal and state tax rates of approximately 40%. The primary reasons for this difference are; 1) currently the effective tax rate of Diodes-China is approximately 2%, and deferred U.S. federal and state income taxes are not provided on these earnings, and 2) deferred income tax benefits at a rate of 37.5% have been recognized on losses incurred at FabTech.

	2000	2001
MINORITY INTEREST IN JOINT VENTURE	$ (462,000)	$ (174,000)

Minority interest in joint venture represents the minority investor's share of the Diodes-China joint venture's income for the period. The decrease in the joint venture earnings for the nine months ended September 30, 2001 is primarily the result of decreased gross margins due to excess capacity and demand-induced product mix changes, both internally and to external customers. The joint venture investment is eliminated in consolidation of the Company's financial statements, and the activities of Diodes-China are included therein. As of September 30, 2001, the Company had a 95% controlling interest in the joint venture.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities for the nine months ended September 30, 2001 was $6.8 million compared to $7.2 million for the same period in 2000. The primary sources of cash flows from operating activities in 2001 were a decrease in inventories of $10.9 million and depreciation and amortization of $5.9 million. The primary use of cash flows from operating activities in 2001 was a decrease in accounts payable of $2.6 million and a decrease in accrued liabilities of $2.3 million. The primary sources of cash flows from operating activities for the nine months ended September 30, 2000 were net income of $12.1 million and depreciation and amortization of $3.3 million, while the primary uses were a $8.4 million increase in inventories and a $6.0 million increase in accounts receivable. Inventory turns at September 30, 2001 were 4.4 times compared to 2.5 times at December 31, 2000. Accounts receivable days at September 30, 2001 were 76 days compared to 72 days at December 31, 2000. The ratio of the Company's current assets to current liabilities on September 30, 2001 was 1.6 to 1, compared to 1.4 to 1 at December 31, 2000.

Cash used by investing activities for the nine months ended September 30, 2001 was $1.6 million, compared to $6.4 million during the same period in 2000. The primary investment in both years was for additional manufacturing equipment at the Diodes-China manufacturing facility.

Repayments of financing activities was $1.6 million for the nine months ended September 30, 2001, compared to cash provided by financing activities of $6.4 million for the same period in 2000. The Company's total credit line is approximately $42.9 million. The Company has a $22.9 million credit facility with a major U.S. bank consisting of: a working capital line of credit up to $7.5 million and term commitment notes providing up to $10.0 million for plant expansion and financing the acquisition of FabTech, and $5.4 million for Diodes-China operations. Interest on outstanding borrowings under the credit agreement is payable monthly at LIBOR plus a negotiated margin. The agreement has certain covenants and restrictions, which, among other matters, require the maintenance of certain financial ratios and operating results, as defined in the agreement. The Company was in compliance as of September 30, 2001. As of September 30, 2001, approximately $15.1 million is outstanding under the term note commitment, and the average interest rate on outstanding borrowings was approximately 5.6%. As of September 30, 2001, the revolving credit line balance was $3.5 million and approximately $4.0 million remains available to the Company.

Diodes-China has expanded its credit facilities from two Chinese lending institutions to three, and from $5.0 million to $20.0 million. Interest on outstanding borrowings under the credit agreement is payable

monthly at LIBOR plus a negotiated margin. As of September 30, 2001, approximately $4.0 million is outstanding and $16.0 million is available. In addition, Diodes-Taiwan is in negotiations to increase their credit facility to approximately $3.0 million.

The Company, as part of the FabTech acquisition from LSC (its majority shareholder), also has an unsecured note payable to LSC for approximately $13.2 million. The Company has recently re-negotiated its obligation to LSC. The new terms consist of a monthly payment of approximately $500,000, together with interest at the rate of LIBOR plus 1.0% commencing in July 2001, followed by the remaining balance of $10,000,000 payable in 24 equal monthly installments, together with interest at the rate of LIBOR plus 1.5%, commencing on July 31, 2002. Accrued interest on the $10,000,000 is being paid monthly beginning in July 2001. The unsecured note is subordinated to the interest of the Company's primary lender.

The Company has used its credit facilities primarily to fund the plant and equipment expansion at Diodes-China, as well as the acquisition of FabTech, and to support its operations. The Company believes that the continued availability of the credit facilities, together with internally generated funds, will be sufficient to meet the Company's currently foreseeable operating cash requirements.

Total working capital increased approximately 11.9% to $19.4 million as of September 30, 2001 from $17.3 million as of December 31, 2000. The Company believes that its working capital position will be sufficient for growth opportunities.

The Company's long-term debt to equity ratio decreased to 0.55 at September 30, 2001, from 0.58 at December 31, 2000. The Company's total debt to equity ratio decreased to 1.05 at September 30, 2001, from 1.20 at December 31, 2000. It is anticipated that these ratios may increase should the Company use its credit facilities to fund additional sourcing and manufacturing opportunities.

As of September 30, 2001, the Company has no material plans or commitments for capital expenditures other than in connection with market-driven expansion at Diodes-China and the Company's implementation of an Oracle Enterprise Resource Planning software package, planned for late 2001. However, to ensure that the Company can secure reliable and cost effective inventory sourcing to support and better position itself for growth, the Company is continuously evaluating additional internal manufacturing expansion, as well as additional outside sources of products. The Company believes its financial position will provide sufficient funds should an appropriate investment opportunity arise and, thereby, assist the Company in improving customer satisfaction and in maintaining or increasing market share.

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISION OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Except for the historical information contained herein, the matters addressed in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are subject to a variety of risks and uncertainties, including those discussed below and elsewhere in this Quarterly Report on Form 10-Q that could cause actual results to differ materially from those anticipated by the Company's management. The Private Securities Litigation Reform Act of 1995 (the "Act") provides certain "safe harbor" provisions for forward-looking statements. All forward-looking statements made on this Quarterly Report on Form 10-Q are made pursuant to the Act.

FACTORS THAT MAY AFFECT FUTURE RESULTS

All forward-looking statements contained in this Quarterly Report on Form 10-Q are subject to, in addition to the other matters described in this Quarterly Report on Form 10-Q, a variety of significant risks and uncertainties. The following discussion highlights some of these risks and uncertainties. Further, from time to time, information provided by the Company or statements made by its employees may contain forward-looking information. There can be no assurance that actual results or business conditions will not differ materially from those set forth or suggested in such forward-looking statements as a result of various factors, including those discussed below.

RISK FACTORS

VERTICAL INTEGRATION

We are in the process of vertically integrating our business. Key elements of this strategy include (i) expanding our manufacturing capacity, (ii) establishing wafer foundry and research and development capability through the acquisition of FabTech and (iii) establishing sales, marketing, product development, package development and assembly/testing operations in company-owned facilities or through the acquisition of established contractors. We have a limited history upon which an evaluation of the prospects of our vertical integration strategy can be based. There are certain risks associated with our vertical integration strategy, including:

- difficulties associated with owning a manufacturing business, including, but not limited to, the maintenance and management of manufacturing facilities, equipment, employees and inventories and limitations on the flexibility of controlling overhead;

- difficulties implementing our Oracle Enterprise Resource Planning system;

- difficulties expanding our operations in the Far East and developing new operations in Europe;

- difficulties developing and implementing a successful research and development team; and

- difficulties developing proprietary technology.

ECONOMIC CONDITIONS

The discrete segment of the semiconductor industry is highly cyclical, and the value of our business may decline during the "down" portion of these cycles. During recent years, we, as well as many others in our industry, experienced significant declines in the pricing of, as well as demand for, our products and lower facilities utilization. The market for discrete semiconductors may experience renewed, possibly more severe and prolonged, downturns in the future. The markets for our products depend on continued demand in the communications, computer, industrial, consumer electronic and automotive markets, and these end-markets may experience changes in demand that could adversely affect our operating results and financial condition.

COMPETITION

The discrete semiconductor industry is highly competitive. We expect intensified competition from existing competitors and new entrants. Competition is based on price, product performance, product availability, quality, reliability and customer service. We compete in various markets with companies of various sizes, many of which are larger and have greater financial, marketing, distribution, brand names and other resources than we have, and thus may be better able to pursue acquisition candidates and to withstand adverse economic or market conditions. In addition, companies not currently in direct competition with us may introduce competing products in the future. Some of our current major competitors are On Semiconductor, General Semiconductor, Inc., Fairchild Semiconductor Corporation, International Rectifier Corporation, Rohm, and Phillips. We may not be able to compete successfully in the future, or competitive pressures may harm our financial condition or our operating results.

FOREIGN OPERATIONS

We expect revenues from foreign markets to continue to represent a significant portion of our total revenues. In addition, we maintain facilities or contracts with entities in the Philippines, Taiwan, Germany, Japan, England, India, and China, among others. There are risks inherent in doing business internationally, including:

- changes in, or impositions of, legislative or regulatory requirements, including tax laws in the United States and in the countries in which we manufacture or sell our products;

- trade restrictions; transportation delays; work stoppages; economic and political instability;

- changes in import/export regulations, tariffs and freight rates;

- difficulties in collecting receivables and enforcing contracts generally; and

- currency exchange rate fluctuations.

VARIABILITY OF QUARTERLY RESULTS

We have experienced, and expect to continue to experience, a substantial variation in net sales and operating results from quarter to quarter. We believe that the factors, which influence this variability of quarterly results, include:

- general economic conditions in the countries where we sell our products;
- seasonality and variability in the computer and communications market and our other end markets;
- the timing of our and our competitors' new product introductions;
- product obsolescence;
- the scheduling, rescheduling and cancellation of large orders by our customers;
- the cyclical nature of demand for our customers' products;
- our ability to develop new process technologies and achieve volume production at our fabrication facilities;
- changes in manufacturing yields;
- adverse movements in exchange rates, interest rates or tax rates; and
- the availability of adequate supply commitments from our outside suppliers or subcontractors.

Accordingly, a comparison of the Company's results of operations from period to period is not necessarily meaningful and the Company's results of operations for any period are not necessarily indicative of future performance.

NEW TECHNOLOGIES

We cannot assure you that we will successfully identify new product opportunities and develop and bring products to market in a timely and cost-effective manner, or that products or technologies developed by others will not render our products or technologies obsolete or noncompetitive. In addition, to remain competitive, we must continue to reduce package sizes, improve manufacturing yields and expand our sales. We may not be able to accomplish these goals.

PRODUCTION

Our manufacturing efficiency will be an important factor in our future profitability, and we cannot assure you that we will be able to maintain or increase our manufacturing efficiency. Our manufacturing processes require advanced and costly equipment and are continually being modified in an effort to improve yields and product performance. We may experience manufacturing problems in achieving acceptable yields or experience product delivery delays in the future as a result of, among other things, capacity constraints, construction delays, upgrading or expanding existing facilities or changing our process technologies, any of which could result in a loss of future revenues. Our operating results also could be adversely affected by the increase in fixed costs and operating expenses related to increases in production capacity if revenues do not increase proportionately.

FUTURE ACQUISITIONS

As part of our business strategy, we expect to review acquisition prospects that would implement our vertical integration strategy or offer other growth opportunities. While we have no current agreements and no active negotiations underway with respect to any acquisitions, we may acquire businesses, products or technologies in the future. In the event of future acquisitions, we could:

- use a significant portion of our available cash;
- issue equity securities, which would dilute current stockholders' percentage ownership;
- incur substantial debt;
- incur or assume contingent liabilities, known or unknown;
- incur amortization expenses related to goodwill or other intangibles; and
- incur large, immediate accounting write-offs.

Such actions by us could harm our operating results and/or adversely influence the price of our common stock.

INTEGRATION OF ACQUISITIONS

During fiscal year 2000, we acquired FabTech. We may continue to expand and diversify our operations with additional acquisitions. If we are unsuccessful in integrating these companies or product lines with our operations, or if integration is more difficult than anticipated, we may experience disruptions that could have a material adverse effect on our business, financial condition and results of operations. Some of the risks that may affect our ability to integrate or realize any anticipated benefits from companies we acquire include those associated with:

- unexpected losses of key employees or customers of the acquired company;

- conforming the acquired company's standards, processes, procedures and controls with our operations;

- coordinating our new product and process development;

- hiring additional management and other critical personnel;

- increasing the scope, geographic diversity and complexity of our operations;

- difficulties in consolidating facilities and transferring processes and know-how;

- diversion of management's attention from other business concerns; and

- adverse effects on existing business relationships with customers.

BACKLOG

The amount of backlog to be shipped during any period is dependent upon various factors and all orders are subject to cancellation or modification, usually without penalty to the customer. Orders are generally booked from one to twelve months in advance of delivery. The rate of booking new orders can vary significantly from month to month. The Company and the industry as a whole are experiencing a trend towards shorter lead-times (the amount of time between the date a customer places an order and the date the customer requires shipment). The amount of backlog at any date depends upon various factors, including the timing of the receipt of orders, fluctuations in orders of existing product lines, and the introduction of any new lines. Accordingly, the Company believes that the amount of backlog at any date is not meaningful and is not necessarily indicative of actual future shipments. The Company strives to maintain proper inventory levels to support customers' just-in-time order expectations.

PRODUCT RESOURCES

We sell products primarily pursuant to purchase orders for current delivery, rather than pursuant to long-term supply contracts. Many of these purchase orders may be revised or canceled without penalty. As a result, we must commit resources to the production of products without any advance purchase commitments from customers. Our inability to sell, or delays in selling, products after we devote significant resources to them could have a material adverse effect on our business, financial condition and results of operations.

QUALIFIED PERSONNEL

Our future success depends, in part, upon our ability to attract and retain highly qualified technical, sales, marketing and managerial personnel. Personnel with the necessary expertise are scarce and competition for personnel with these skills is intense. We may not be able to retain existing key technical, sales, marketing and managerial employees or be successful in attracting, assimilating or retaining other highly qualified technical, sales, marketing and managerial personnel in the future. If we are unable to retain existing key employees or are unsuccessful in attracting new highly qualified employees, our business, financial condition and results of operations could be materially and adversely affected.

EXPANSION

Our ability to successfully offer our products in the discrete semiconductor market requires effective planning and management processes. Our past growth, and our targeted future growth, may place a significant strain on our management systems and resources, including our financial and managerial controls, reporting systems and procedures. In addition, we will need to continue to train and manage our workforce worldwide.

SUPPLIERS

Our manufacturing operations depend upon obtaining adequate supplies of materials, parts and equipment on a timely basis from third parties. Our results of operations could be adversely affected if we are unable to obtain adequate supplies of materials, parts and equipment in a timely manner or if the costs of materials, parts or equipment increase significantly. In addition, a significant portion of our total sales is from parts manufactured by outside vendors. From time to time, suppliers may extend lead times, limit supplies or increase prices due to capacity constraints or other factors. Although we generally use products, materials, parts and equipment available from multiple suppliers, we have a limited number of suppliers for some products, materials, parts and equipment. While we believe that alternate suppliers for these products, materials, parts and equipment are available, an interruption could materially impair our operations.

ENVIRONMENTAL REGULATIONS

We are subject to a variety of United States federal, foreign, state and local governmental laws, rules and regulations related to the use, storage, handling, discharge or disposal of certain toxic, volatile or otherwise hazardous chemicals used in our manufacturing process. Any of these regulations could require us to acquire equipment or to incur substantial other expenses to comply with environmental regulations. If we were to incur substantial additional expenses, product costs could significantly increase, thus materially and adversely affecting our business, financial condition and results of operations. Any failure to comply with present or future environmental laws, rules and regulations could result in fines, suspension of production or cessation of operations, any of which could have a material adverse effect on our business, financial condition and results of operations.

PRODUCT LIABILITY

One or more of our products may be found to be defective after we have already shipped such products in volume, requiring a product replacement or recall. We may also be subject to product returns which could impose substantial costs and have a material and adverse effect on our business, financial condition and results of operations. Product liability claims may be asserted with respect to our technology or products. Although we currently have product liability insurance, there can be no assurance that we have obtained sufficient insurance coverage, or that we will have sufficient resources, to satisfy all possible product liability claims.

SYSTEM OUTAGES

Risks are presented by electrical or telecommunications outages, computer hacking or other general system failure. To try to manage our operations efficiently and effectively, we rely heavily on our internal information and communications systems and on systems or support services from third parties. Any of these are subject to failure. System-wide or local failures that affect our information processing could have material adverse effects on our business, financial condition, results of operations and cash flows. In addition, insurance coverage for the risks described above may be unavailable.

DOWNWARD PRICE TRENDS

Our industry is intensely competitive and prices for existing products tend to decrease steadily over their life cycle. There is substantial and continuing pressure from customers to reduce the total cost of using our parts. To remain competitive, we must achieve continuous cost reductions through process and product improvements. We must also be in a position to minimize our customers' shipping and inventory financing costs and to meet their other goals for rationalization of supply and production. Our growth and the profit margins of our products will suffer if our competitors are more successful in reducing the total cost to customers of their products than we are.

OBSOLETE INVENTORIES

The life cycles of some of our products depend heavily upon the life cycles of the end products into which our products are designed. Products with short life cycles require us to manage closely our production and inventory levels. Inventory may also become obsolete because of adverse changes in end market demand. We may in the future be adversely affected by obsolete or excess inventories which may result from unanticipated changes in the estimated total demand for our products or the estimated life cycles of the end products into which our products are designed.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no matters to be reported under this heading.

ITEM 2. CHANGES IN SECURITIES

There are no matters to be reported under this heading.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There are no matters to be reported under this heading.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There are no matters to be reported under this heading.

ITEM 5. OTHER INFORMATION

There are no matters to be reported under this heading.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 10.36	Diodes Incorporated Building Lease -- Third Amendment
Exhibit 10.37	Document of Understanding between the Company and Microsemi
Exhibit 11	Computation of Earnings Per Share
Exhibit 99.33	Press release: Diodes Incorporated Announces Alliance with Microsemi Corporation
Exhibit 99.34	Press release: Diodes, Inc. Announces Conference Call To Discuss Third Quarter Financial Results
Exhibit 99.35	Press release: Diodes Incorporated Reports Third-Quarter 2001 Results
Exhibit 99.36	Press release: Diodes Incorporated Announces Development of High--Precision Zener Diode Process
Exhibit 99.37	Press release: Diodes Incorporated Announces New SOT-523 Product Line

(b) Reports on Form 8-K

None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIODES INCORPORATED (Registrant)

By: /s/ Carl Wertz November 2, 2001

- --
CARL WERTZ
Chief Financial Officer, Treasurer and Secretary
(Duly Authorized Officer and Principal Financial and
Chief Accounting Officer)

INDEX TO EXHIBITS

EXHIBIT 10.36

THIRD AMENDMENT OF LEASE

THIS THIRD AMENDMENT OF LEASE (the "Third Amendment") is made this 29th day of October 2001, by and between HILLCREST INVESTMENT COMPANY, A General Partnership (hereinafter referred to as "Lessor"), and DIODES INCORPORATED, a Delaware Corporation, with its principal place of business in California (hereinafter referred to as "Lessee").

WHEREAS, the parties have heretofore entered into a Standard Industrial Lease (hereinafter referred to as the "Lease"), dated June 7, 1993, for the premises consisting of approximately 30,857 square feet of larger approximately 45,262 square foot concrete tilt-up building situated on approximately 2.46 acres of M-2 zoned land, commonly know as 3050 East Hillcrest Drive, Thousand Oaks, California (the "Premises").

WHEREAS, the parties, by virtue of a First Amendment of Lease, dated February 15, 1998, extended the term of the Lease for an additional thirty-six (36) months and made other amendments as further set forth in the First Amendment of Lease.

WHEREAS, the parties, by virtue of a Second Amendment of Lease, dated July 21, 1999, extended the terms of the Lease for an additional (36) months and made other Amendments as further set forth in the Second Amendment of Lease.
.

WHEREAS, the parties are desirous of entering into this Third Amendment with the primary purpose of further extending the term of the Lease, changing the base rent charged thereunder, and providing for other matters.

NOW THEREFORE, in consideration of the foregoing and of the mutual promises contained hereinafter, the parties hereto agree as follows:

I

Paragraph 3.1, of the Lease and Section I of the Second Amendment are hereby amended to extend the term of the Lease for an additional thirty-six (36) months (referred to herein as "Year 4", "Year 5", and "Year 6"), beginning December 15, 2003 and ending December 14, 2006.

II

Paragraph 4.1 of the Lease and Section II of the Second Amendment regarding the base rent for the Premises are hereby amended to provide for the base rent of the present term and the extended term of the Lease as follows:

The base rent shall be subject to a 3% increase on December 15, 2001 and on December 15, 2002. There shall be no increases to the base rent for "Year 4", "Year 5", and "Year 6".

III

Lessor will pay to Lessee within 10 days of Lessee's execution and delivery to Lessor of this Third Amendment, Sixty Thousand Dollars ($60,000.00) to be utilized as Lessee sees fit.

IV

See Attached addendum regarding "First Right of Refusal to Purchase".

V

Except as set forth herein, all of the terms and conditions of the Lease, including all Addendum thereto, and all matters continued in the First and Second Amendments shall continue in full force and effect. In the event there is any conflict between this Third Amendment and the Lease, including all Addendum and the First or Second Amendments, the terms of this Third Amendment shall control.

Dated: October 29, 2001

"Lessor"	"Lessee"
HILLCREST INVESTMENT COMPANY	DIODES INCORPORATED
A General Partnership	A Delaware Corporation
By /s/ Anthony R. Buccola	By: /s/ Carl C. Wertz
Name: Anthony R. Buccola	Name: Carl C. Wertz
Title: Managing General Partner	Title: CFO
Date: October 29, 2001	Date: October 29, 2001

EXHIBIT 10.37

DOCUMENT OF UNDERSTANDING

DIODES, INC
3050 East Hillcrest Drive
Westlake Village, California 91362-3154
Attn: Mr. Mark King,
V.P. Sales & Marketing
Tel: 805-446-4800 Fax: 805-381-3837
E-mail: Mark_King@diodes.com

MICROSEMI WATERTOWN, INC.
580 Pleasant Street
Watertown, Massachusetts, 02472-2408
Attn: Mr. Angelo Santamaria,
V.P. & General Manager
Tel: 617-926-0404 Fax: 617-924-1376
E-mail: asantamaria@microsemi.com

THIS DOCUMENT OF UNDERSTANDING by and between Diodes Inc (hereafter DIODES), and Microsemi Corporation (hereafter MSC), shall have an Effective Date of July 6, 2001.

WHEREAS, the parties desire to utilize their unique expertise and capabilities for their mutual benefit by establishing a Cooperative Business Arrangement (the "CBA") between their respective organizations in order to provide the most effective management and technical approach for cooperatively achieving new and improved processes, product designs and product performance for selected products; and

WHEREAS, the parties met in Watertown, Massachusetts on April 26, 2001 (the "MEETING"), and identified certain Action Items, which they believed needed to be resolved to their mutual satisfaction, and where appropriate, incorporated into formal Agreements.

WHEREAS, it is contemplated at this time that the CBA will be coordinated and performed in various design, engineering and manufacturing sites respectively owned or controlled by the parties in both the United States and in foreign geographies; and

WHEREAS, MSC owns and controls a proprietary automated manufacturing facility in its Watertown facility, where it makes a family of products sold under its POWERMITE(R)3 trademark.

WHEREAS, DIODES desires to obtain a non-exclusive license under certain MSC intellectual property rights for the manufacture of products utilizing the novel POWERMITE(R)3 package design containing silicon rectifier die, and to market such products under the POWERMITE(R)3 trademark.

WHEREAS, the parties desire to cooperatively establish marketing strategies for ensuring the availability of reliable POWERMITE(R)3 products; for establishing a competitive additional source of such POWERMITE(R)3 products; for maintaining the quality of such POWERMITE(R)3 products; for cost effectively serving the market requirements in the geographies of consumption; and for cooperatively establishing POWERMITE(R)3 product improvements that dynamically respond to market demands

NOW THEREFORE, the parties desire at this time to summarize the mutual understandings they have made at the Meeting, and more particularly specify the Action Items required to complete the documentation for the CBA, such mutual agreements and Action Items are as follows:

1. The parties agree to negotiate in good faith for nontransferable, nonexclusive, worldwide, irrevocable, royalty bearing licenses to make (but not have made) and to use, to lease and to sell, or to otherwise dispose of products that are made pursuant to any and all intellectual property rights ("IPR") owned or controlled by MSC, that comprehend the manufacturing of products sold by MSC under its POWERMITE(R)3 trademark. An exemplary IPR License Agreement is attached hereto as EXHIBIT A, and by this reference is made a part hereof.

The royalty rates under such license shall be as follows:

1. Year 1 - [CONFIDENTIAL] of Net Revenues.
2. Year 2 - [CONFIDENTIAL] of Net Revenues.
3. Year 3 - [CONFIDENTIAL] of Net Revenues.
4. Thereafter - [CONFIDENTIAL] of Net Revenues.

The parties agree that Year 1 for the initial calculation of royalties, shall commence on the first month following the day that DIODES receives a bone fide qualification by one of its customers of the first Licensed Product produced in its Shanghai facility, utilizing the IPR licensed hereunder, or, the first Licensed Product made, used or otherwise disposed of by DIODES under the MSC trademark POWERMITE(R)3.

In the event MSC hereafter grants to any third party licenses substantially the same in scope and duration as the licenses granted to DIODES regarding POWERMITE(R)3, as contemplated herein, MSC warrants that the royalty rates under such third party licenses shall be substantially the same as, or greater than, the royalty rates specified in the licenses granted to DIODES, taking into reasonable evaluation the mutual considerations under which such DIODES licenses were granted, vis-a-vis, the mutual considerations under which such third party licenses were granted.

In the event DIODES agrees to transfer to MSC any of its IPR for the manufacture, use and/or sale of products covered by any DIODES IPR, the parties agree to negotiate in good faith for a non-exclusive, worldwide, irrevocable, royalty bearing license under such DIODES IPR, which license shall be substantially similar to the terms and conditions set forth in the IPR License Agreement between the parties regarding POWERMITE(R)3

Notwithstanding anything to the contrary herein stated, or in any other agreement between the parties, sales made by one party to the other party of products that are covered by such one parties IPR shall not be subject to the payment of royalties, and shall be deemed excluded from the definition of Net Revenues.

2. The parties also agree to negotiate in good faith for a limited license which grants to DIODES the right to market and sell POWERMITE(R)3 packaged products under MSC's POWERMITE(R)3 trademark. ("TML"). An exemplary TML Agreement is attached hereto as EXHIBIT B, and by this reference is made a part hereof.

3. From the Effective Date hereof until December 31, 2003, or such other date as the parties may hereafter agree upon, DIODES agrees to buy from MSC its requirements of POWERMITE(R)3 packaged products, and MSC, to the extent it has the available capacity, agrees to sell to DIODES. POWERMITE(R)3 packaged products. During such period, the parties agree to negotiate in good faith the terms and conditions of a Technology Transfer and Technical Training Agreement ("TTA") whereby the manufacturing technology reasonably required to manufacture POWERMITE(R)3 packaged products will be strategically and effectively transferred to DIODES. An exemplary TTA is attached hereto as EXHIBIT C, and by this reference is made a part hereof.

4. It is contemplated at this time that the licensed automated POWERMITE(R)3 manufacturing line will be located by DIODES in its Shanghai facility. Accordingly, Microsemi shall provide the required technical support within the purview of the TTA, at DIODES expense.

5. Prior to the successful installation of the POWERMITE(R)3 product line in DIODES Shanghai facility, or in any other licensed facility as may hereafter be installed, all sales of POWERMITE(R)3 packaged products by MSC to DIODES pursuant to paragraph 3 hereof shall be oN a "MOST FAVORED CUSTOMER" basis under a Manufacturing Services Agreement ("MSA"). The parties agree to negotiate in good faith the terms and conditions of the MSA. An exemplary MSA is attached hereto as EXHIBIT D, and by this reference is made a part hereof.

6. Upon the successful installation of the POWERMITE(R)3 product line in DIODES Shanghai facility, or in any other licensed facility as may hereafter be installed, MSC shall have the option right to purchase up to

thirty percent (30%) of the capacity thereof on a Most Favored Customer basis under a MSA. The parties agree to negotiate in good faith the terms and conditions of the MSA. An exemplary MSA is attached hereto as EXHIBIT E, and by this reference is made a part hereof.

7. Upon the successful installation of the POWERMITE(R)3 product line in DIODES Shanghai facility, or in any other licensed facility as may hereafter be installed, MSC shall have the option right to purchase any wafer made by or for DIODES that is used in such POWERMITE(R)3 product line on a Most Favored Customer basis under a MSA. The parties agreE to negotiate in good faith the terms and conditions of the MSA. An exemplary MSA is attached hereto as EXHIBIT E.

The parties agree that the sale of wafers by DIODES to MSC does not require DIODES to transfer to MSC any of its IPR relating to the manufacture of such wafers, and that such sales may be best defined under a standard purchase agreement comprehending the specific wafers. In such event, the parties agree to negotiate in good faith the terms and conditions of a mutually acceptable Purchase Agreement.

Notwithstanding the foregoing, MSC's option right to purchase wafers made by DIODES shall not extend to any wafers manufactured by DIODES, or any of its Subsidiaries, utilizing or pursuant to an intellectual property license from a third party, which license expressly prohibits the sale of such wafers to MSC or entities similarly situated.

8. During the performance of any CBA, or any other Agreement between the parties, whereby an invention, improvement or other intellectual property right, whether patentable or not, is conceived by employees or agents of one party, which relates to or comprehends the POWERMITE(R)3 products or the POWERMITE(R)3 manufacturing processes, such one party agrees TO grant to the other party an irrevocable, worldwide right and license to make, use, sell or otherwise dispose of products covered by such inventions or other intellectual property rights. The terms and conditions of such license shall be negotiated in good faith within the scope and spirit of this Document of Understanding.

9. During the performance of any CBA, or any other Agreement between the parties, whereby an invention, improvement, or other intellectual property right, whether patentable or not, is jointly conceived by employees or agents of each party shall be jointly owned with each party having an undivided equal share of such invention, or other intellectual property right, and of any patents issued thereon.

10. In consideration of the technical and financial obligations of each party as set forth herein, and in each CBA between the parties that are hereafter negotiated in good faith, the parties agree to grant to the other party a "MOST FAVORED CUSTOMER" status regarding the purchase and sale of the products and services made and provided to them by the other party. The terms and conditions of such CBA or other Agreement between the parties shall be negotiated in good faith, and shall comprehend, but not be limited to, quantity, price, delivery, quality, reliability, warranty, indemnity, availability, and allocation of capacity, taking into reasonable consideration the technical and financial contributions respectively provided by the parties hereto.

11. Any news release authorized or distributed by either party pertaining to this Document of Understanding, or any other agreement hereafter consummated by the parties, shall be reviewed and approved by the other party prior to its release, which approval shall not be unreasonably withheld.

12. All fees and expenses of any kind whatsoever respectively incurred by each party in connection with this Document of Understanding shall be respectively borne by each party.

13. Each party shall maintain confidential all information disclosed to it by the other party that is identified as "CONFIDENTIAL", and shall not disclose such confidential information to any person, firm or corporation without prior written consent from the disclosing party. The parties agree that this Document of Understanding is confidential and is not to be disclosed by one party to any 3rd party without the express approval of the other party. The parties agree to negotiate in good faith the terms and conditions of a mutually acceptable

Confidential Disclosure Agreement (CDA), which shall be deemed to be incorporated into any agreement hereafter between the parties. An exemplary CDA is attached hereto as EXHIBIT F, and by this reference made a part hereof.

14. Each party shall perform its responsibilities under this Document of Understanding as an independent contractor, and shall not be considered a partner, joint venture, subsidiary, affiliate, agent or employee of the other party for any purpose whatsoever, and shall have no right or authority to make or undertake any promise, warranty or representation, to execute any contract, or otherwise to assume any obligation or responsibility in the name of or on behalf of the other party except to the extent specifically authorized in writing by such other party.

15. This Document of Understanding shall be construed and interpreted, and its performance shall be governed, by the laws of the State of California.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS DOCUMENT OF UNDERSTANDING TO BE EXECUTED BY THEIR DULY AUTHORIZED REPRESENTATIVES AS OF THE EFFECTIVE DATE, SUBJECT TO THE APPROVAL OF THE BOARD OF DIRECTORS OF BOTH PARTIES AND ANY NECESSARY THIRD PARTY APPROVAL.

DIODES, INC.	MICROSEMI WATERTOWN, INC
BY: /s/ MARK KING MARK KING TITLE: VICE PRESIDENT, SALES & MARKETING DATE: JULY 12, 2001	BY: /s/ ANGELO SANTAMARIA ANGELO SANTAMARIA TITLE: V.P. & GENERAL MANAGER DATE: JULY 18, 2001

LIST OF EXHIBITS
TO THE
DOCUMENT OF UNDERSTANDING
BETWEEN
DIODES, INC
AND
MICROSEMI CORPORATION
DATED JULY 6, 2001

EXHIBIT A INTELLECTUAL PROPERTY RIGHTS LICENSE (IPR)

EXHIBIT B TRADEMARK LICENSE AGREEMENT (TML)

EXHIBIT C TECHNOLOGY TRANSFER AND TECHNICAL TRAINING AGREEMENT (TTA)

EXHIBIT D MANUFACTURING SERVICES AGREEMENT (MSA WITH DIODES AS BUYER)

EXHIBIT E MANUFACTURING SERVICES AGREEMENT (MSA WITH DIODES AS SELLER)

EXHIBIT F CONFIDENTIAL DISCLOSURE AGREEMENT (CDA)

EXHIBIT - 11

DIODES INCORPORATED AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
(Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2000	2001	2000	2001
BASIC				
Weighted average number of common shares outstanding used in computing basic earnings per share	8,101,667	8,147,902	8,053,675	8,142,333
Net income	$4,650,000	$ (847,000)	$12,110,000	$ 199,000
Basic earnings per share	$ 0.57	$ (0.10)	$ 1.50	$ 0.02
DILUTED				
Weighted average number of common shares outstanding used in computing basic earnings per share	8,101,667	8,147,902	8,053,675	8,142,333
Assumed exercise of stock options	1,159,098	667,679	1,205,420	786,378
	9,260,765	8,815,581	9,259,095	8,928,711
Net income	$4,650,000	$ (847,000)	$12,110,000	$ 199,000
Diluted earnings per share	$ 0.50	$ (0.10)	$ 1.31	$ 0.02

Earnings per share and weighted average shares outstanding are after the effects of a three-for-two stock split in July 2000.

EXHIBIT 99.33

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Announces Alliance with Microsemi Corporation

Diodes to license advanced Microsemi Powermite(R)3 packaging

WESTLAKE VILLAGE, California, August 14, 2001 -Diodes Incorporated (Nasdaq: DIOD) today announced it has signed an agreement with Microsemi Corporation (Nasdaq: MSCC) that will allow Diodes to license Microsemi's advanced, 3-terminal Powermite(R)3 surface-mount package.

Microsemi Corporation, headquartered in Irvine, California, is a market-leading designer, manufacturer and marketer of analog, mixed-signal and discrete semiconductors, and Diodes Incorporated is a leading manufacturer and supplier of high-quality discrete semiconductor products.

Under the terms of the agreement, Microsemi will license its patented Powermite(R)3 packaging to Diodes, who will manufacture the devices at its state-of-the-art facilities in Mainland China. The agreement allows Microsemi to broaden industry acceptance of the advanced Powermite technology by having a second source, while allowing Diodes to build on its existing range of industry-leading diode, rectifier and protection devices, beginning with performance Schottky and ultra-fast rectifiers.

The Powermite(R)3 compact packaging design offers significant advantages over larger and higher profile D-PAK technology, providing exceptionally low thermal resistance and high power density, which are key benefits in power management and DC to DC conversion applications. In addition, the low profile of the Powermite(R)3, which is roughly a third of the size of comparable devices, offers a practical alternative to available chip scale packaging techniques used in high-density packaging designs.

Targeted applications for the Powermite(R)3 include notebooks, DC to DC converters, set-top boxes and game consoles, and mobile communication and hand-held computing devices, including PDA's, that require efficient power management, effective transient voltage protection and dependable battery charge protection.

"Microsemi looks to work with partners capable of helping us capitalize on the unique strengths of our patented Powermite(TM) packaging," said Manuel Lynch, Vice President of Marketing and Business Development at Microsemi. "This agreement will allow us to leverage Diodes' manufacturing excellence, strong customer service reputation and diverse customer base to further exploit the numerous commercial applications that exist for our advanced technology."

As part of the alliance and licensing agreement, Microsemi will receive a royalty for each product sold by Diodes as well as rights to purchase Powermite(R)3 products manufactured at Diodes' low cost manufacturing facility in Mainland China. An initial packaging order was placed with Microsemi totaling approximately $1 million to start production of several new products to be offered by Diodes.

"We are delighted to announce this agreement with Microsemi," said Mark King, Vice President of Sales and Marketing of Diodes Incorporated. "Such strategic relationships provide Diodes the opportunity to build our pipeline of new discrete devices incorporating next-generation technologies. This allows us to both broaden our product range and to add value to our existing customer relationships with market leading manufacturers. We believe this agreement with Microsemi represents the first step in what could become a more expansive, mutually beneficial relationship between the two companies."

About Microsemi Corporation
Microsemi is a leading designer, manufacturer and marketer of analog, mixed-signal and discrete semiconductors. The company's semiconductors manage and regulate power, protect against transient voltage spikes and transmit, receive and amplify signals. Microsemi products include individual components as well as complete circuit solutions

that enhance customer designs by providing battery optimization, reducing size or protecting circuits. Markets the company serves include mobile connectivity, computer/peripherals, telecommunications, medical, industrial/commercial, space/satellite and military. More information may be obtained by contacting the company directly or by visiting its website at http://www.microsemi.com.

About Diodes Incorporated

Diodes Incorporated (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, serving the communications, computer, industrial, consumer electronics and automotive markets. The Company operates two Far East subsidiaries, Diodes-China (QS-9000 & ISO-14001 certified) in Shanghai and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China's manufacturing focus is on surface-mount devices destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. The Company's newly acquired 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, visit the Company's website at http://www.diodes.com.

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 the implementation and potential expansion of Diodes' licensing agreement with Microsemi, market demand for the Powermite(R)3 product line, fluctuations in product demand, the introduction of new products, the Company's ability to maintain customer and vendor 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.

Source: Diodes Incorporated

CONTACT: Crocker Coulson, Partner, Coffin Communications Group;
(818) 789-0100 e-mail: crocker.coulson@coffincg.com or Carl Wertz,
Chief Financial Officer, Diodes, Inc.; (805) 446-4800

For Microsemi Corporation, Irvine
CONTACT: David R Sonsken (financial), 949-221-7100 or Cliff Silver (editorial)
949-221-7101

Recent Diodes Incorporated news releases, annual reports, and SEC filings are available at the Company's website: http://www.diodes.com. Written requests may be sent directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

EXHIBIT 99.34

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes, Inc. Announces Conference Call To Discuss Third Quarter Financial Results

Westlake Village, California - October 15, 2001 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive industries, will host a conference call at 9 a.m. PDT (12 noon EDT) on Wednesday, October 31st to discuss results for the third quarter of FY 2001.

Joining C.H. Chen, President and CEO of Diodes, Inc., will be Mark King, Vice President of Sales and Marketing, and Carl Wertz, Chief Financial Officer. The Company plans to distribute its earnings announcement on Business Wire that same day at 6 a.m. PDT (9 a.m. EDT).

This conference call will be broadcast live over the Internet and can be accessed by all interested parties on the investor section of Diodes' website at www.diodes.com. To listen to the live call, please go to the Investor section of Diodes website and click on the Conference Call link at least fifteen minutes prior to the start of the call to register, download, and install any necessary audio software. For those unable to participate during the live broadcast, a replay will be available shortly after the call on Diodes website for 90 days.

About Diodes Incorporated

Diodes Incorporated (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, serving the communications, computer, industrial, consumer electronics and automotive markets. The Company operates two Far East subsidiaries, Diodes-China (QS-9000 & ISO-14001 certified) in Shanghai and Diodes-Taiwan (ISO-9000 certified) in Taipei. Diodes-China's manufacturing focus is on surface-mount devices destined for wireless devices, notebook computers, pagers, PCMCIA cards and modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. The Company's newly acquired 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, visit the Company's website at http://www.diodes.com.

Source: Diodes Incorporated
CONTACT: Crocker Coulson, Partner, Coffin Communications Group;
(818) 789-0100 e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief Financial Officer, Diodes Incorporated; (805) 446-4800

Recent news releases, annual reports, and SEC filings are available at the Company's website: http://www.diodes.com. Written requests may be sent to Investor Relations, Diodes Incorporated, 3050 E. Hillcrest Drive, Westlake Village, CA 91362, or they may be e-mailed to: diodes-fin@diodes.com.

EXHIBIT 99.35

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Reports Third-Quarter 2001 Results

Westlake Village, California, October 31, 2001 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive industries, today reported financial results for the third quarter ended September 30, 2001.

Revenues for the third quarter were $22.7 million, a sequential increase of 8% from the second quarter of 2001, but a 29.8% decrease as compared to $32.3 million for the third quarter of 2000.

Third quarter results include the effect of a $650,000 charge related to distribution pricing adjustments taken during the quarter and a $400,000 inventory write-down due to declines in wafer pricing. The Company reported a net loss of $847,000, or $(0.10) per diluted share, as compared to net income of $4.7 million, or $0.50 per share, for the three months ended September 30, 2000.

Commenting on the quarter, C.H. Chen, Diodes' President and CEO, said, "In what continues to be a very tough market climate, Diodes has maintained our focus on growing market share, aggressive cost containment and continuing our excellence in manufacturing and customer service. We introduced a range of new products in the third quarter that improve the trade-off between size, performance and power consumption for surface-mount discrete devices. And we continue to develop proprietary technologies, such as our new performance Zener design, that will position Diodes as a technology leader for discrete devices as the semiconductor industry cycle improves."

Third Quarter Highlights:

- Develops breakthrough performance Zener technology
- Launches compact 4-line array Schottky bus terminator for high-speed data systems
- Announces alliance with Microsemi Corporation to license advanced Powermite(R)3 surface-mount package
- Introduces new SOT-523 line using ultra-miniature packaging technology
- Named to Deloitte & Touche's prestigious "Los Angeles Technology Fast 50" program
- Inventory reduced $3 million from prior quarter and $11 million from beginning of year

Diodes continued to experience adverse pricing pressures during the third quarter across all product lines. The Company's gross profit margin was 10.7% in the third quarter, as compared to 19.3% in the prior quarter and 34.4% in the third quarter of 2000. However, excluding the effects of the aforementioned pricing adjustments for inventory, gross profit margin for the third quarter would have been approximately 15.4%.

For the first nine months of 2001, the Company earned $199,000, or $0.02 per diluted share, on revenues of $69.4 million, compared to net income of $12.1 million, or $1.31 per diluted share, on revenues of $92.4 million for the same period in 2000.

"We believe that we currently are in the last stages of the industry-wide inventory correction," Mr. Chen noted. "We have recently begun to see stabilization in pricing and a modest uptrend in orders. In addition, capacity utilization increased sequentially at both our mainland China facility, Diodes-China, from 45% last quarter to 52% this quarter, and at our wafer facility, FabTech, from 35% to 45%. But lead times on new orders are shorter than in any period in our experience; hence, visibility for the fourth quarter and beyond remains limited. We are cautiously optimistic that the fourth quarter will show sequential sales growth and that the third quarter was the low point of the industry inventory correction. Given the rather uncertain global economic picture, we continue to keep a tight rein on our cost structure and seek ways to improve the efficiency of all our operations."

Continued cost-cutting efforts resulted in SG&A expenses reduced by $1.2 million or 23.9% to $3.8 million, or 16.9% of sales, in the quarter, as compared to $5 million, or 15.6% of sales, in the third quarter of 2000. Year-to-date, SG&A expenses have been reduced by $4.4 million or 29.5% to 15.1% of sales compared to 16.1% of sales for the same period last year. Year-to-date SG&A expenses also include approximately $1.5 million in SG&A expenses associated with the FabTech facility, acquired in December 2000, which were not included in last year's SG&A. Without these FabTech SG&A expenses, year-to-date SG&A was reduced by $5.8 million or 39.3%.

"We are very pleased with the progress made during the quarter in introducing new products, developing partnerships with other industry leaders, and securing design wins on next-generation equipment from many of the leading names in computing and communications," Mr. Chen continued. "While production runs have not always scaled as quickly as anticipated, we believe this provides an indication of the ongoing strength of these customer relationships.

"In the third quarter, our customer access and market share in our targeted product ranges were at an all time high. Diodes is building a brand based on innovation leadership in discrete technology. And we continue to extend the geographic reach of our sales organization into Europe and China, as well as our unsurpassed customer service reputation."

Mr. Chen noted that Diodes had recently negotiated an increased credit facility to $20 million at its mainland China manufacturing facility, increasing Diodes' financial flexibility. "Although we have slowed capital expenditures to a maintenance level, we have manufacturing capacity at both Diodes-China and FabTech, and we will continue to invest to capture emerging opportunities as market conditions dictate," he concluded.

About Diodes Incorporated
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Source: Diodes Incorporated
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CONSOLIDATED CONDENSED INCOME STATEMENT and BALANCE SHEET FOLLOWS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	2001	2000	2001
Net sales	$ 32,332,000	$ 22,698,000	$ 92,369,000	$ 69,447,000
Cost of goods sold	21,211,000	20,279,000	62,322,000	58,863,000
Gross profit	11,121,000	2,419,000	30,047,000	10,584,000
Selling, general and administrative expenses	5,050,000	3,845,000	14,862,000	10,482,000
Income from operations	6,071,000	(1,426,000)	15,185,000	102,000
Other income (expense)				
Interest income	128,000	80,000	323,000	222,000
Interest expense	(332,000)	(592,000)	(920,000)	(1,903,000)
Other	135,000	94,000	181,000	211,000
	(69,000)	(418,000)	(416,000)	(1,470,000)
Income before income taxes and minority interest	6,002,000	(1,844,000)	14,769,000	(1,368,000)
Income tax benefit (provision)	(1,170,000)	1,052,000	(2,197,000)	1,741,000
Income before minority interest	4,832,000	(792,000)	12,572,000	373,000
Minority interest in joint venture earnings	(182,000)	(55,000)	(462,000)	(174,000)
Net income	$ 4,650,000	$ (847,000)	$ 12,110,000	$ 199,000
Earnings per share				
Basic	$ 0.57	$ (0.10)	$ 1.50	$ 0.02
Diluted	$ 0.50	$ (0.10)	$ 1.31	$ 0.02
Weighted average shares outstanding				
Basic	8,101,667	8,147,902	8,053,675	8,142,333
Diluted	9,260,765	8,815,581	9,259,095	8,928,711

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS

	December 31, 2000	September 30, 2001 (Unaudited)
CURRENT ASSETS		
Cash	$ 4,476,000	$ 2,531,000
Accounts receivable		
Customers	19,723,000	19,924,000
Related parties	615,000	1,412,000
Other	26,000	--
	20,364,000	21,336,000
Less allowance for doubtful receivables	311,000	249,000
	20,053,000	21,087,000
Inventories	31,788,000	20,899,000
Deferred income taxes, current	4,387,000	4,382,000
Prepaid expenses and other current assets	686,000	1,407,000
Total current assets	61,390,000	50,306,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	45,129,000	46,326,000
DEFERRED INCOME TAXES, non-current	616,000	2,914,000
OTHER ASSETS		
Goodwill, net	5,318,000	5,386,000
Other	497,000	593,000
TOTAL ASSETS	$112,950,000	$105,525,000

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 2000	September 30, 2001
		(Unaudited)
CURRENT LIABILITIES		
Line of credit	$ 7,750,000	$ 7,604,000
Accounts payable		
Trade	10,710,000	5,712,000
Related parties	1,008,000	3,384,000
Accrued liabilities	8,401,000	6,115,000
Income taxes payable	1,370,000	--
Current portion of long-term debt		
Related party	11,049,000	4,490,000
Other	3,811,000	3,647,000
Total current liabilities	44,099,000	30,952,000
LONG-TERM DEBT, net of current portion		
Related party	2,500,000	8,750,000
Other	13,497,000	12,467,000
MINORITY INTEREST IN JOINT VENTURE	1,601,000	1,776,000
STOCKHOLDERS' EQUITY		
Class A convertible preferred stock - par value $1.00 per share; 1,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock - par value $0.66 2/3 per share; 30,000,000 shares authorized; 9,201,704 and 9,223,705 shares issued and outstanding at December 31, 2000 and September 30, 2001, respectively	6,134,000	6,149,000
Additional paid-in capital	7,143,000	7,231,000
Retained earnings	39,758,000	40,184,000
Translation loss	--	(202,000)
	53,035,000	53,362,000
Less:		
Treasury stock - 1,075,672 shares of common stock, at cost	1,782,000	1,782,000
Total stockholders' equity	51,253,000	51,580,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$112,950,000	$ 105,525,000

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EXHIBIT 99.36

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Announces Development of High-Precision Zener Diode Process

- Breakthrough technique yields significant benefits over traditional diffusion approach

Westlake Village, California - October 31, 2001 - Diodes Incorporated, (Nasdaq: DIOD) a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive industries, today announced the development of a breakthrough high-precision zener diode process.

Diodes Incorporated intends to use the new process to develop a line of subminiature, surface-mount zener devices that will offer significantly improved performance over other zener products available on the market today. Zener technology is an essential component of a broad range of electronics, including PCs, and Internet and communication devices.

FabTech, Inc., a wholly owned subsidiary of Diodes Incorporated, developed the new process, which surpasses the traditional method of high-temperature diffusion with a precision, high-velocity ion implantation technique. The targeted nature of this process offers a far greater measure of control over the zener breakdown voltage (VZ), and greatly reduces other variables that can occur during the process. This results in vastly improved accuracy and uniformity in the end product.

Most zener diode products available on the market today specify tolerance on the VZ of between 5% and 7%. Using the new process, Diodes has obtained a ten-fold improvement, recording typical measurements of less than 1.0%. In addition, the new technology achieves significantly reduced dynamic impedance, matching or surpassing the lowest available in the discrete semiconductor industry. The process has also demonstrated lower temperature coefficient of zener voltage (TCVZ), another key parameter.

Diodes Incorporated plans to integrate the new zener diode technology into a wide range of Company product lines, including sub-miniature SOT and SOD surface-mount packages that are currently manufactured by its mainland China facility.

Typical end-use products include notebooks, set-top boxes, game consoles, mobile communication and hand-held computing devices, including PDAs. Zener diodes are a key contributor to Diodes' overall sales. The superior performance resulting from this new process will enable the Company to aggressively pursue increased market share.

"When we acquired the FabTech wafer foundry late last year, we saw it as a logical progression in building our Company so as to become a total solution provider of discrete devices," said C.H. Chen, CEO of Diodes Incorporated. "We also wanted to capitalize on the intellectual capital that existed within the FabTech R&D team, with the specific intention of accelerating the development and introduction of next-generation discrete technologies."

"This is the first in a series of technology breakthroughs from the FabTech R&D team. This innovative new zener diode process is a strong validation of our long-term strategy, and we will continue to expand these development initiatives so as to introduce must-have, value-added product lines for our customers, which will also benefit our top- and bottom-line growth."

For more information, visit http://www.diodes.com or contact Diodes' customer service at 800-446-4874 or email at info@diodes.com.

About Diodes Incorporated

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Source: Diodes Incorporated

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EXHIBIT 99.37

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Announces New SOT-523 Product Line

- Next-generation surface mount devices offer 40% smaller footprint than SOT-323

Westlake Village, California - October 17, 2001 - Diodes Incorporated, (Nasdaq: DIOD) a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive industries, today announced the launch of the Company's new SOT-523 product line.

The new SOT-523 package achieves a significant reduction in size of subminiature, surface- mount devices. The SOT-523 has body dimensions of 1.6 x 0.8 x 0.8mm, with a total footprint size of 1.6 x 1.6mm, resulting in nearly a 40% reduction in footprint size as compared to the SOT-323 line.

The new line is specifically targeted to meet the requirements of compact, battery-operated low-power consumption products and is ideally suited for applications that place a premium on space such as notebooks, PDAs and cellular phones. The package is rated for 150mW of power dissipation, comfortably exceeding the standard requirements for most applications.

Diodes plans a phased roll-out of the new line over the coming months. Immediately available for sampling to customers will be a line of single switching, signal, Schottky and zener diodes. The next to launch will be a range of dual switching, signal, Schottky and zener diodes, plus several NPN & PNP small signal bipolar transistors. The final stage will see the release of small signal MOSFETs and further NPN & PNP small signal bipolar transistors. The Company intends to introduce additional diode products to the line to meet specific customer demand.

In the next stage of this technology, Diodes is developing a six-pin version of the SOT-523, and plans to introduce diode and transistor arrays in this ultra-miniature, multi-pin package.

"We're delighted to announce the roll-out of this innovative product line, which extends Diodes' position as an innovator for subminiature, surface-mount packaging technologies," said Mark King, Vice President of Sales and Marketing for Diodes Incorporated. "With the ever-increasing focus on miniaturization in the hand-held market, space and power constraints are becoming more critical. These new designs are a further demonstration of the way in which Diodes strives to respond to customer needs."

For more information, visit http://www.diodes.com or contact Diodes' customer service at 800-446-4874 or email at info@diodes.com.

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