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 JUNE 30, 2002

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 (I.R.S. Employer
incorporation or organization) 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 August 9, 2002 was 9,258,164, 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, 2001	JUNE 30, 2002 (UNAUDITED)

CURRENT ASSETS		
Cash and cash equivalents	$ 8,103,000	$ 6,821,000
Accounts receivable		
Customers	16,250,000	19,148,000
Related parties	1,486,000	4,033,000
	17,736,000	23,181,000
Less: Allowance for doubtful receivables	343,000	367,000
	17,393,000	22,814,000
Inventories	17,813,000	15,334,000
Deferred income taxes, current	4,368,000	4,373,000
Prepaid expenses, income taxes and other current assets	1,266,000	2,426,000
Total current assets	48,943,000	51,768,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	44,925,000	44,698,000
DEFERRED INCOME TAXES, non-current	3,672,000	3,213,000
OTHER ASSETS		
Goodwill, net	5,090,000	5,090,000
Other	628,000	1,055,000
TOTAL ASSETS	$ 103,258,000	$ 105,824,000

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, 2001	JUNE 30, 2002
		(UNAUDITED)
CURRENT LIABILITIES		
Line of credit	$ 6,503,000	$ 360,000
Accounts payable		
Trade	6,098,000	9,926,000
Related parties	3,149,000	4,273,000
Accrued liabilities	5,062,000	6,498,000
Current portion of long-term debt		
Related party	2,500,000	2,500,000
Other	5,833,000	8,094,000
Current portion of capital lease obligations	--	154,000
Total current liabilities	29,145,000	31,805,000
LONG-TERM DEBT, net of current portion		
Related party	7,500,000	7,500,000
Other	13,664,000	8,399,000
CAPITAL LEASE OBLIGATIONS, net of current portion	--	2,564,000
MINORITY INTEREST IN JOINT VENTURE	1,825,000	1,962,000
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; 9,227,664 and 9,252,164 shares issued and outstanding at December 31, 2001 and June 30, 2002, respectively	6,151,000	6,167,000
Additional paid-in capital	7,310,000	7,809,000
Retained earnings	39,882,000	41,654,000
	53,343,000	55,630,000
Less:		
Treasury stock - 1,075,672 shares of common stock, at cost	1,782,000	1,782,000
Accumulated other comprehensive loss	437,000	254,000
	2,219,000	2,036,000

Total stockholders' equity	51,124,000	53,594,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 103,258,000	$ 105,824,000

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

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2002	2001	2002
NET SALES	$ 21,001,000	$ 29,946,000	$ 46,749,000	$ 56,870,000
COST OF GOODS SOLD	16,957,000	22,815,000	38,584,000	45,387,000
Gross profit	4,044,000	7,131,000	8,165,000	11,483,000
RESEARCH AND DEVELOPMENT EXPENSES	170,000	460,000	309,000	773,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,283,000	4,370,000	6,328,000	8,135,000
Total operating expenses	3,453,000	4,830,000	6,637,000	8,908,000
Income from operations	591,000	2,301,000	1,528,000	2,575,000
OTHER INCOME (EXPENSE)				
Interest income	16,000	16,000	39,000	25,000
Interest expense	(511,000)	(292,000)	(1,208,000)	(638,000)
Other	467,000	109,000	371,000	124,000
	(28,000)	(167,000)	(798,000)	(489,000)
Income before income taxes and minority interest	563,000	2,134,000	730,000	2,086,000
INCOME TAX BENEFIT (PROVISION)	7,000	(473,000)	436,000	(178,000)
Income before minority interest	570,000	1,661,000	1,166,000	1,908,000
MINORITY INTEREST IN JOINT VENTURE EARNINGS	(45,000)	(98,000)	(119,000)	(136,000)
NET INCOME	$ 525,000	$ 1,563,000	$ 1,047,000	$ 1,772,000
EARNINGS PER SHARE				
Basic	$ 0.06	$ 0.19	$ 0.13	$ 0.22
Diluted	$ 0.06	$ 0.18	$ 0.12	$ 0.20
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	8,143,318	8,176,025	8,139,501	8,170,704
Diluted	8,896,744	8,874,416	8,970,791	8,824,025

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

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

	SIX MONTHS ENDED JUNE 30,	
	2001	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,047,000	$ 1,772,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,102,000	4,731,000
Minority interest earnings	119,000	136,000
Changes in operating assets:		
Accounts receivable	(431,000)	(5,421,000)
Inventories	7,849,000	2,479,000
Prepaid expenses, taxes and other assets	(1,740,000)	(1,133,000)
Changes in operating liabilities:		
Accounts payable	(2,771,000)	4,952,000
Accrued liabilities	(2,929,000)	1,436,000
Income taxes payable	(1,041,000)	--
Net cash provided by operating activities	4,205,000	8,952,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,542,000)	(1,785,000)
Net cash used by investing activities	(6,542,000)	(1,785,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on (repayments of) line of credit, net	305,000	(6,143,000)
Proceeds from the issuance of capital stock	95,000	140,000
Proceeds (repayments) of long-term obligations	247,000	(3,004,000)
Proceeds from majority shareholder contract reimbursement	--	375,000
Other	81,000	--
Net cash provided (used) by financing activities	728,000	(8,632,000)
EFFECT OF EXCHANGE RATE AND INTEREST RATE CHANGES ON CASH AND CASH EQUIVALENTS	--	183,000
DECREASE IN CASH	(1,609,000)	(1,282,000)
CASH AT BEGINNING OF PERIOD	4,476,000	8,103,000
CASH AT END OF PERIOD	$ 2,867,000	$ 6,821,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 1,174,000	$ 613,000
Income taxes	$ 1,904,000	$ 5,000
Non-cash acquisitions of property, plant and equipment	$ --	$ 2,785,000

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

DIODES INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and 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 accounting principles generally accepted in the United States of America for complete financial statements. 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, 2001. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) considered necessary for a fair presentation of the results of operations for the period presented have been included in the interim period. Operating results for the six months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. The consolidated financial data at December 31, 2001 is derived from audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December

31, 2001.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

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

NOTE B - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards ("SFAS") 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 has applied the new rules on accounting for goodwill beginning in the first quarter of 2002. An independent appraiser, hired by the Company, performed the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002, and has determined that the goodwill is fully recoverable. Application of the non-amortization provisions of the Statements is expected to result in an increase in net income, net of tax, of approximately $165,000 ($0.02 per share) per year.

	THREE MONTHS ENDED JUNE 30,	
	2001	2002
Reported net income	$ 525,000	$ 1,563,000
Add: Goodwill amortization, net of tax	42,000	--
Adjusted net income	$ 567,000	$ 1,563,000
Diluted earnings per common share:		
Reported net income	$ 0.06	$ 0.18
Add: Goodwill amortization, net of tax	$ 0.00	--
Adjusted diluted earnings per common share	$ 0.06	$ 0.18

	SIX MONTHS ENDED JUNE 30,	
	2001	2002
Reported net income	$ 1,047,000	$ 1,772,000
Add: Goodwill amortization, net of tax	84,000	--
Adjusted net income	$ 1,131,000	$ 1,772,000

Diluted earnings per common share:		
Reported net income	$ 0.12	$ 0.20
Add: Goodwill amortization, net of tax	$ 0.01	--
Adjusted diluted earnings per common share	$ 0.13	$ 0.20

Also during 2001, FASB issued SFAS No. 144 "Accounting for Impairment or Disposal of Long-Lived Assets", and No. 143 "Accounting for Asset Retirement Obligations". SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. Management does not believe the adoption of SFAS 143 and SFAS 144 will have material impact on the financial statements.

NOTE C - FUNCTIONAL CURRENCIES, COMPREHENSIVE LOSS AND FOREIGN CURRENCY TRANSLATION

Until June 30, 2001, the functional currency of Diodes-Taiwan was 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 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 at Diodes-China and Diodes-Hong Kong, 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 and Diodes-Hong Kong.

The Company has entered into an interest rate swap agreement with a major U.S. bank which expires November 30, 2004, to hedge its exposure to variability in expected future cash flows resulting from interest rate risk related to a portion of its long-term debt.

The effect of the $178,000 gain in translation adjustments and $5,000 gain related to the interest rate swap agreement results in a change in accumulated other comprehensive loss (income) of ($183,000) for the six months ended June 30, 2002, and is reflected on the balance sheet as a separate component of shareholders' equity. There was no other comprehensive loss for the six months ended June 30, 2002.

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, 2001	JUNE 30, 2002
Finished goods	$ 12,030,000	$ 9,633,000
Work-in-progress	1,848,000	2,169,000
Raw materials	6,311,000	6,164,000
	20,189,000	17,966,000
Less: Reserves	(2,376,000)	(2,632,000)
Net inventory	$ 17,813,000	$ 15,334,000

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, as of June 30, 2002, the Company has recorded a net deferred tax asset of $7.6 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.

In accordance with the current taxation policies of the People's Republic of China, Diodes-China was granted preferential tax treatment for the years ended December 31, 1999 through 2003. Earnings were subject to 0% tax rates in 1999 and 2000, and 12% in 2001. Earnings in 2002 and 2003 will be taxed at 12% (one half the normal central government tax rate), and at normal rates thereafter. Earnings of Diodes-China are also subject to tax of 3% by the local taxing authority in Shanghai. The local taxing authority waived this tax in 2001 and in the first two quarters of 2002, and current indications are that the local tax will be waived for the remainder of 2002.

Earnings of Diodes-Taiwan are currently subject to a tax rate of 35%, which is comparable to the U.S. Federal tax rate for C corporations.

As of June 30, 2002, accumulated and undistributed earnings of Diodes-China is approximately $24.2 million. Through March 31, 2002, the Company had not recorded deferred Federal or state tax liabilities (estimated to be $8.9 million) on these cumulative earnings since the Company considered this investment to be permanent, and had no plans, intentions or obligation to distribute all or part of that amount from China to the United States. Beginning in April 2002, the Company began to record deferred taxes on a portion of the 2002 earnings of Diodes-China. As of June 30, 2002, the Company has recorded $360,000 in deferred taxes.

The Company is evaluating the need to provide additional deferred taxes for the future earnings of Diodes-China to the extent such earnings may be appropriated for distribution to Diodes-North America, and as further investment strategies with respect to Diodes-China are determined. Should the Company's North American cash requirements exceed the cash that is provided through the domestic credit facilities, cash can be obtained from the Company's foreign subsidiaries. However, the distribution of any unappropriated funds to the U.S. will require the recording of income tax provisions on the U.S. entity, thus reducing net income.

NOTE F - GEOGRAPHIC SEGMENTS

An operating segment is defined as a component 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, Chief Financial Officer, Vice President of Sales and Marketing, and Vice President of Operations. The Company operates in a single segment, discrete semiconductor devices, through its various manufacturing and distribution facilities.

The Company's operations include the domestic operations (Diodes-North America and Diodes-FabTech) located in the United States, and the Far East operations (Diodes-Taiwan located in Taipei, Taiwan; Diodes-China located in Shanghai, China; and Diodes-Hong Kong located in Hong Kong, China). For reporting purposes, European operations, which account for approximately 3% of total sales, are consolidated into the domestic operations.

The accounting policies of the operating entities are the same as those described in the summary of significant accounting policies. Revenues are attributed to geographic areas based on the location of the market producing the revenues.

THREE MONTHS ENDED	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
JUNE 30, 2002			
Total sales	$ 24,798,000	$ 17,441,000	$ 42,239,000
Inter-company sales	(11,104,000)	(1,189,000)	(12,293,000)
Net sales	$ 13,694,000	$ 16,252,000	$ 29,946,000
Assets	$ 60,608,000	$ 45,216,000	$ 105,824,000
Deferred tax assets	$ 115,000	$ 7,553,000	$ 7,668,000

THREE MONTHS ENDED	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
JUNE 30, 2001			
Total sales	$ 16,255,000	$ 13,017,000	$ 29,271,000
Inter-company sales	(6,826,000)	(1,445,000)	(8,271,000)
Net sales	$ 9,429,000	$ 11,572,000	$ 21,001,000
Assets	$ 62,913,000	$ 45,335,000	$ 108,248,000
Deferred tax assets	$ 128,000	$ 6,427,000	$ 6,555,000

SIX MONTHS ENDED	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
JUNE 30, 2002			
Total sales	$ 45,993,000	$ 32,265,000	$ 78,258,000
Inter-company sales	(19,672,000)	(1,716,000)	(21,388,000)
Net sales	$ 26,321,000	$ 30,549,000	$ 56,870,000
Assets	$ 60,608,000	$ 45,216,000	$ 105,824,000
Deferred tax assets	$ 115,000	$ 7,553,000	$ 7,668,000

SIX MONTHS ENDED	FAR EAST	NORTH AMERICA	CONSOLIDATED SEGMENTS
JUNE 30, 2001			
Total sales	$ 32,981,000	$ 29,144,000	$ 62,125,000
Inter-company sales	(13,599,000)	(1,777,000)	(15,376,000)
Net sales	$ 19,382,000	$ 27,367,000	$ 46,749,000
Assets	$ 62,913,000	$ 45,335,000	$ 108,248,000
Deferred tax assets	$ 128,000	$ 6,427,000	$ 6,555,000

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"), a Delaware corporation, is engaged in the manufacture, sale and distribution of discrete semiconductors worldwide, primarily to manufacturers in the communications, computing, industrial, consumer electronics and automotive markets, and to distributors of electronic components to customers in these markets. The Company's broad product line includes high-density diode and transistor arrays in ultra-miniature surface-mount packages, as well as silicon wafers used in manufacturing these products. Technologies include Schottky diodes and rectifiers, switching diodes, zener diodes, Transient Voltage Suppressors (TVSs), standard, fast, ultra-fast and super-fast recovery rectifiers, bridge rectifiers, and small signal transistors and MOSFETs.

In addition to the Company's corporate headquarters in Westlake Village, California, which provides sales, marketing, engineering, logistics and warehousing functions, the Company's wholly-owned subsidiary, Diodes Taiwan Corporation, Ltd. ("Diodes-Taiwan"), maintains a sales, engineering and purchasing facility in Taipei, Taiwan. The Company also has a 95% interest in Shanghai KaiHong Electronics Co., Ltd. ("Diodes-China" or "KaiHong"), a manufacturing facility in Shanghai, China, with offices in Shanghai and Shenzhen, China. The Company recently opened a sales, warehousing and logistics subsidiary in Hong Kong ("Diodes-Hong Kong"). In addition, in December 2000, the Company acquired FabTech Incorporated ("Diodes-FabTech" or "FabTech"), a silicon wafer manufacturer located near Kansas City, Missouri. An office in Toulouse, France supports the Company's European sales expansion.

Positioning the Company to rapidly respond to the demands of the global marketplace and continuing to increase research and development expenses, the Company is focused on expanding its product portfolio and closely controlling product quality and time-to-market. Shifting development priorities toward specialized configurations, such as the Company's high-density array devices, the Company is introducing a range of new products that improve the trade-off between size, performance and power consumption for surface-mount packages, such as the Company's BAT750 Schottky rectifier and SOT-523 product lines. These product lines are designed for battery-powered and handheld applications, such as those used in the computer and communication industries; specifically, wireless devices, notebooks, flat panel displays, digital cameras, mobile handsets, set top boxes, as well as DC to DC conversion and automotive electronic applications, and more.

The Company's most recent product introductions include its comprehensive range of single and dual Pre-biased transistors with resistor-biased circuitry integrated into the transistor chip. This line is designed for a variety of battery-powered applications such as cellular phones, laptop computers, pagers, and PDA's where space is at a premium. The Company is also refining its high-precision manufacturing processes for zener diodes, which offer significant performance improvements over other zener products on the market today.

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. In the second quarter of 2002, 54% of the Company's products were sold in North America, while 43% were sold in the Far East and 3% in Europe. This compares to 55%, 45% and 1% for the year 2001, respectively, and 54%, 46% and 0% for the year 2000, respectively. An increase in the percentage of sales in the Far East is expected as the Company significantly increases its sales presence there and believes there is greater potential to increase market share in that region due to the expanding base of electronics manufacturers.

The Company sells direct to OEM customers as well as to distributors of electronic components. In the second quarter of 2002, 69% of the Company's sales were direct, while 31% were to distributors. This compares to 68% and 32%, respectively, for the year 2001, and 52% and 48%, respectively, for the year 2000.

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.

REPORTING SEGMENTS. For financial reporting purposes, the Company is deemed to engage in one industry segment - discrete semiconductors. The Company has separated its operations into two geographical areas: North America and the Far East. North America includes the corporate offices in Southern California ("Diodes-North America") as well the wafer foundry, Diodes-FabTech, located in Missouri. For reporting purposes, the North American region includes European sales as well, which account for approximately 3% of total sales. Diodes-North America procures and distributes products primarily throughout North America and provides management, warehousing, engineering and logistics functions. Diodes-FabTech manufactures silicon wafers for sale to its customer base, as well as for use in manufacturing by Diodes-China. The Far East includes the operations of Diodes-Taiwan, Diodes-China and Diodes-Hong Kong. Diodes-China manufactures product for, and sells product to, Diodes-North America, Diodes-Taiwan and Diodes-Hong Kong, as well as directly to end customers. Diodes-Taiwan procures product from, and sells product primarily to, customers in Taiwan, Korea and Singapore. Diodes-Hong Kong sells to customers primarily in Hong Kong and China.

LSC. Lite-On Semiconductor Corporation ("LSC"), formerly Lite-On Power Semiconductor Corporation ("LPSC"), is the Company's largest stockholder, holding approximately 37.5% of the outstanding shares. LSC is a member of The Lite-On Group of companies. The Lite-On Group, a Taiwanese consortium with worldwide sales of approximately $4.5 billion, is a leading manufacturer of power semiconductors, computer peripherals and communication products. C.H. Chen, the Company's President and Chief Executive Officer, is also Vice Chairman of LSC.

For the second quarter of 2002, the Company sold silicon wafers to LSC totaling 13.8% (7.7% in 2001) of the Company's sales, making LSC the Company's largest customer. Also for the second quarter of 2002, 14.2% (15.2% in 2001) of the Company's sales were from discrete semiconductor products purchased from LSC, making LSC the Company's largest outside vendor. All such transactions are on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

In addition, in December 2000, the Company acquired FabTech from LSC. As part of the purchase price, at June 30, 2002, LSC holds a subordinated, interest-bearing note for approximately $10.0 million. In connection with the terms of the acquisition, LSC entered into a volume purchase agreement to purchase wafers from FabTech. LSC is currently in compliance with the terms of the wafer purchase agreement.

In June 2001, as per the Company's U.S. bank covenants, the Company was not permitted to make regularly scheduled principal and interest payments to LSC on the remaining $10.0 million payable related to the FabTech acquisition note, but was, however, able to renegotiate with LSC the terms of the note. Again, in May 2002, the Company renegotiated the terms of the note to extend the payment period from two years to four years, and therefore, payments of approximately $208,000 plus interest are scheduled to begin in July 2002, provided, as per the terms of its U.S. bank covenants, the Company achieves 2002 year-to-date income before tax of at least $2.0 million. The Company anticipates making the regularly scheduled payments.

MANUFACTURING AND SIGNIFICANT VENDORS. The Company's Far East manufacturing subsidiary, Diodes-China, manufactures product for sale primarily to North America and Asia. Diodes-China's manufacturing focuses on SOT-23 and SOD-123 products, as well as sub-miniature packages such as SOT-363, SOT-563, and SC-75. 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, flat panel display, digital camera, mobile handset, set top box, DC to DC conversion, and automotive applications, among others. 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. Diodes-China purchases a portion of its silicon wafers for its manufacturing process from Diodes-FabTech, although the majority are currently 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 Mainland China facility to approximately $49.3 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, and even smaller packaging such as SOT-523.

All of the products sold by the Company, as well as the materials used by the Company in its manufacturing operations, are available both domestically and abroad. The three largest external suppliers of products to the Company were LSC and two other non-related vendors. For the second quarter ended June 30, 2002, sales of products manufactured by LSC and the two other largest vendors were approximately 14.2% (15.2% in 2001) and 12.9% (10.0% in 2001), respectively, while 34.2% (27% in 2001) and 26.3% (15.0% in 2001) were manufactured by Diodes-China and Diodes-FabTech, respectively. No other manufacturer of discrete semiconductors accounted for more than 5% of the Company's sales in 2001.

The Company will continue its strategic plan of locating alternate sources of its products and raw materials, including those provided by its major suppliers. The Company anticipates that the effect of the loss of any one of its major suppliers would 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.

DIODES-FABTECH. Acquired by the Company from LSC on December 1, 2000, FabTech's wafer foundry is located in Lee's Summit, Missouri. Diodes-FabTech manufactures primarily 5-inch silicon wafers, which are the building blocks for semiconductors. Diodes-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.

Diodes-FabTech purchases polished silicon wafers, and then by using various technologies, 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 sawn into square or rectangular die), different types of wafers with various currents, voltages, and switching speeds are produced.

INCOME TAXES. In accordance with the current taxation policies of the People's Republic of China, Diodes-China was granted preferential tax treatment for the years ended December 31, 1999 through 2003. Earnings were subject to 0% tax rates in 1999 and 2000, and 12% in 2001. Earnings in 2002 and 2003 will be taxed at 12% (one half the normal central government tax rate), and at normal rates thereafter. Earnings of Diodes-China are also subject to tax of 3% by the local taxing authority in Shanghai. The local taxing authority waived this tax in 2001 and in the first two quarters of 2002, and current indications are that the local tax will be waived for the remainder of 2002.

Earnings of Diodes-Taiwan are currently subject to a tax rate of 35%, which is comparable to the U.S. Federal tax rate for C corporations.

As of June 30, 2002, accumulated and undistributed earnings of Diodes-China is approximately $24.2 million. Through March 31, 2002, the Company had not recorded deferred Federal or state tax liabilities (estimated to be $8.9 million) on these cumulative earnings since the Company considered this investment to be permanent, and had no plans, intentions or obligation to distribute all or part of that amount from China to the United States. Beginning in April 2002, the Company began to record deferred taxes on a portion of the earnings of Diodes-China. As of June 30, 2002, the Company has recorded $360,000 in deferred taxes.

The Company is evaluating the need to provide additional deferred taxes for the future earnings of Diodes-China to the extent such earnings may be appropriated for distribution to Diodes-North America, and as further investment strategies with respect to Diodes-China are determined. Should the Company's North American cash requirements exceed the cash that is provided through the domestic credit facilities, cash can be obtained from the Company's foreign subsidiaries. However, the distribution of any unappropriated funds to the U.S. will require the recording of income tax provisions on the U.S. entity, thus reducing net income.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2001 AND 2002

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 JUNE 30,		PERCENTAGE DOLLAR INCREASE (DECREASE)
	2001	2002	`01 TO `02
Net sales	100.0 %	100.0 %	42.6 %
Cost of goods sold	(80.7)	(76.2)	34.5
Gross profit	19.3	23.8	76.3
Operating expenses	(16.4)	(16.1)	39.9
Income from operations	2.9	7.7	289.3
Interest expense, net	(2.4)	(0.9)	(45.0)
Other income	1.0	0.3	(50.3)
Income before taxes and minority	1.5	7.1	588.4
Income taxes	1.2	(1.6)	(282.0)
Income before minority interest	2.7	5.5	191.4
Minority interest	(0.2)	(0.3)	116.5
Net income	2.5	5.2	197.8

The following discussion explains in greater detail the consolidated operating results and financial condition of the Company for the three months ended June 30, 2002 compared to the three months ended June 30, 2001. This discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

	2001	2002
NET SALES	$ 21,001,000	$ 29,946,000

Net sales increased approximately $8.9 million, or 42.6%, for the three months ended June 30, 2002, compared to the same period last year, due primarily to a 38.0% increase in units sold as a result of increased demand, primarily in North America. The Company's average selling prices ("ASP") for discrete devices decreased approximately 5.1% from the same three-month period last year, but increased 4.5% from the first quarter of 2002. ASP's for wafer products decreased 8.9% from the same period last year, but increased 10.8% from the first quarter of 2002.

	2001	2002
COST OF GOODS SOLD	$ 16,957,000	$ 22,815,000
GROSS PROFIT	$ 4,044,000	$ 7,131,000
GROSS PROFIT MARGIN PERCENTAGE	19.3%	23.8%

Cost of goods sold increased approximately $5.9 million, or 34.5%, for the three months ended June 30, 2002 compared to the year ago period, due primarily to increased sales volumes, partially offset by higher factory utilization. Gross profit increased approximately $3.1 million, or 76.3%, for the three months ended June 30, 2002 compared to the year ago period. Of the $3.1 million increase, approximately $1.7 million was due to the 42.6% increase in sales, while $1.4 million was due to the increase in gross margin percentage from 19.3% to 23.8%. The higher gross margin percentage was due primarily to increased capacity utilization, cost containment and sales of higher margin products. For the second quarter of 2002, Diodes-China's average capacity utilization was above 80%, up from 58% last quarter, and Diodes-FabTech had improved to approximately 73% from 65% last quarter.

	2001	2002
TOTAL OPERATING EXPENSES	$ 3,453,000	$ 4,830,000

Operating expenses, which include selling, general, administrative expenses ("SG&A") and research and development expenses ("R&D"), for the three months ended June 30, 2002 increased approximately $1.4 million, or 39.9%, compared to the same period last year, due primarily to increased selling expenses, commissions and incentives, and a $290,000 increase in R&D. The Company anticipates its R&D expenditures will continue to increase as part of its strategy to develop more proprietary products aimed at improving gross margins. SG&A, as a percentage of sales, decreased to 14.6% from 15.6% in the comparable period last year, while R&D increased to 1.5% from 0.8% of sales. Total operating expenses, as a percentage of sales, decreased to 16.1% from 16.4% in the comparable period last year.

	2001	2002
INTEREST INCOME	$ 16,000	$ 16,000
INTEREST EXPENSE	$ 511,000	$ 292,000
NET INTEREST EXPENSE	$ 495,000	$ 276,000

Net interest expense for the three months ended June 30, 2002 decreased approximately $219,000 versus the same period last year, due primarily to a reduction in the Company's total debt. The Company's interest expense is primarily the result of the Company's borrowings to finance the FabTech acquisition, as well as the investment and expansion for the Diodes-China manufacturing facility.

	2001	2002

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OTHER INCOME	$ 467,000	$ 109,000

Other income for the three months ended June 30, 2002 decreased approximately $358,000 compared to the same period last year, due primarily to high-technology grants received by Diodes-China in the second quarter of 2001.

	2001	2002
INCOME TAX BENEFIT (PROVISION)	$ 7,000	$ (473,000)

Income taxes increased from a tax benefit in the second quarter of 2001 to a tax provision in the second quarter of 2002, due primarily to earnings at Diodes-FabTech. Included in the tax provision for the three months ended June 30, 2002 is $360,000 in deferred taxes recorded for a portion of the 2002 earnings at Diodes-China.

	2001	2002
MINORITY INTEREST IN JOINT VENTURE	$ 45,000	$ 98,000

Minority interest in joint venture represents the minority investor's share of the Diodes-China joint venture's income for the period. The increase in the joint venture earnings for the three months ended June 30, 2002 is primarily the result of increased capacity utilization and the associated increased gross margins. 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 June 30, 2002, the Company had a 95% controlling interest in the joint venture.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2001 AND 2002

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 SIX MONTHS ENDED JUNE 30,		PERCENTAGE DOLLAR INCREASE (DECREASE)
	2001	2002	`01 TO `02
Net sales	100.0 %	100.0 %	21.6 %
Cost of goods sold	(82.5)	(79.8)	17.6
Gross profit	17.5	20.2	40.6
Operating expenses	(14.2)	(15.7)	34.2
Income from operations	3.3	4.5	68.5
Interest expense, net	(2.6)	(1.1)	(47.8)
Other income	0.3	0.2	1.7
Income before taxes and minority	1.0	3.6	337.4
Income taxes	1.5	(0.3)	(125.8)

Income before minority interest	2.5	3.3	63.7
Minority interest	(0.3)	(0.2)	15.0
Net income	2.2	3.1	69.2

The following discussion explains in greater detail the consolidated operating results and financial condition of the Company for the six months ended June 30, 2002 compared to the six months ended June 30, 2001. This discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this quarterly report.

	2001	2002
NET SALES	$ 46,749,000	$ 56,870,000

Net sales increased approximately $10.1 million, or 21.6%, for the six months ended June 30, 2002, compared to the same period last year, due primarily to a 31.0% increase in units sold. For the first six months of 2002, ASP's for discrete devices decreased approximately 13.3%, primarily in North America. ASP's for wafer products decreased 13.6% from the same period last year.

	2001	2002
COST OF GOODS SOLD	$ 38,584,000	$ 45,387,000
GROSS PROFIT	$ 8,165,000	$ 11,483,000
GROSS PROFIT MARGIN PERCENTAGE	21.2%	25.3%

Cost of goods sold increased approximately $6.8 million, or 17.6%, for the six months ended June 30, 2002 compared to the year ago period, due primarily to increased sales volumes, partially offset by higher factory utilization. Gross profit increased approximately $3.3 million, or 40.6%, for the six months ended June 30, 2002 compared to the year ago period. Of the $3.3 million increase, approximately $1.8 million was due to the 21.6% increase in sales, while $1.5 million was due to the increase in gross margin percentage from 17.5% to 20.2%. The higher gross margin percentage was due primarily to increased capacity utilization, cost containment and sales of higher margin products.

	2001	2002
TOTAL OPERATING EXPENSES	$ 6,637,000	$ 8,908,000

Operating expenses, including SG&A and R&D, for the six months ended June 30, 2002 increased approximately $2.3 million, or 34.2%, compared to the same period last year due primarily to increased selling expenses, commissions and incentives, and a $464,000 increase in R&D. The Company anticipates its R&D expenditures will continue to increase as part of its strategy to develop more proprietary products aimed at improving gross margins. SG&A, as a percentage of sales, increased to 14.3% from 13.5% in the comparable period last year, while R&D increased to 1.4% from 0.7% of sales. Total operating expenses, as a percentage of sales, increased to 15.7% from 14.2% in the comparable period last year.

	2001	2002
INTEREST INCOME	$ 39,000	$ 25,000

INTEREST EXPENSE	$ 1,208,000	$ 638,000
NET INTEREST EXPENSE	$ 1,169,000	$ 613,000

Net interest expense for the six months ended June 30, 2002 decreased approximately $556,000 versus the same period last year, due primarily to a reduction in the Company's total debt. The Company's interest expense is primarily the result of the Company's borrowings to finance the FabTech acquisition, as well as the investment and expansion for the Diodes-China manufacturing facility.

	2001	2002
OTHER INCOME	$ 371,000	$ 124,000

Other income for the six months ended June 30, 2002 decreased approximately $246,000 compared to the same period last year, due primarily to high-technology grants received by Diodes-China in the second quarter of 2001.

	2001	2002
INCOME TAX BENEFIT (PROVISION)	$ 436,000	$ (178,000)

Income taxes increased from a tax benefit for the first six months of 2001 to a tax provision for the first six months of 2002, due primarily to earnings at Diodes-FabTech. Included in the tax provision for the six months ended June 30, 2002 is $360,000 in deferred taxes recorded in the second quarter for a portion of the 2002 earnings at Diodes-China.

	2001	2002
MINORITY INTEREST IN JOINT VENTURE	$ 119,000	$ 136,000

Minority interest in joint venture represents the minority investor's share of the Diodes-China joint venture's income for the period. The increase in the joint venture earnings for the six months ended June 30, 2002, is primarily the result of increased capacity utilization and the associated increased gross margins. 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 June 30, 2002, the Company had a 95% controlling interest in the joint venture.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2002 the Company had cash and cash equivalents totaling $6.8 million, a $1.3 million decrease from December 31, 2001, primarily as a result of the Company reducing its bank loan balances. Cash provided by operating activities for the six months ended June 30, 2002 was $9.0 million compared to $4.2 million for the same period in 2001. The primary source of cash flows from operating activities in the second quarter of 2002 was an increase in accounts payable of $5.0 million and $4.7 million in depreciation and amortization, while in 2001, the primary source was a $7.8 million reduction in inventory and $4.1 million in depreciation and amortization.

The primary use of cash flows from operating activities in the second quarter of 2002 was an increase in accounts receivable of $5.4 million, while the primary use of cash flows from operating activities in 2001 was a $2.9 million decrease in accrued liabilities. Accounts receivable days were 69 days at June 30, 2002, compared to 67 at December 31, 2001.

Inventory turns at June 30, 2002 were 6.0 times compared to

5.1 times at December 31, 2001. Accounts receivable days at June 30, 2002 were 69 days compared to 61 days at December 31, 2001. The ratio of the Company's current assets to current liabilities on June 30, 2002 was 1.6 to 1, compared to 1.7 to 1 at December 31, 2001.

Cash used by investing activities for the six months ended June 30, 2002 was $1.8 million, compared to $6.5 million during the same period in 2001. The primary investment in both years was for additional manufacturing equipment at the Diodes-China manufacturing facility.

On December 1, 2000, the Company purchased all the outstanding capital stock of FabTech Incorporated, a 5-inch wafer foundry located in Lee's Summit, Missouri from Lite-On Semiconductor Corporation ("LSC"), the Company's largest stockholder. The acquisition purchase price consisted of approximately $6.0 million in cash and an earn-out of up to $30.0 million if FabTech meets specified yearly earnings targets over a four-year period (for the year 2001, these earnings targets were not met, and, therefore, no earn-out was paid). In addition, FabTech was obligated to repay an aggregate of approximately $19.2 million in debt, consisting of (i) approximately $13.6 million note payable to LSC, (ii) approximately $2.6 million note payable to the Company, and (iii) approximately $3.0 million note payable to a financial institution (this 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.

In June 2001, as per the Company's U.S. bank covenants, the Company was not permitted to make regularly scheduled principal and interest payments to LSC on the remaining $10.0 million payable related to the FabTech acquisition note, but was, however, able to renegotiate with LSC the terms of the note. Again, in May 2002 the Company renegotiated the terms of the note to extend the payment period from 2 years to 4 years, and therefore, payments of approximately $208,000 plus interest are scheduled to begin in July 2002, provided the Company achieves 2002 year-to-date income before tax of at least $2.0 million.

Cash used by financing activities was $8.6 million for the six months ended June 30, 2002, as the Company reduced its overall debt, compared to cash provided by financing activities of $728,000 in the same period of 2001. The Company increased its credit facility to $46.3 million, encompassing one major U.S. bank, three banks in Mainland China and three banks in Taiwan. As of June 30, 2002, the total credit facilities were $15.8 million, $25.0 million, and $4.1 million, for the U.S. facility secured by substantially all assets, the unsecured Chinese facilities, and the unsecured Taiwanese facilities, respectively. As of June 30, 2002, the available credit was $7.1 million, $21.0 million, and $1.5 million, for the U.S. facility, the Chinese facilities, and the Taiwanese facilities, respectively.

The agreements have certain covenants and restrictions, which, among other matters, require the maintenance of certain financial ratios and operating results, as defined in the agreements, and prohibit the payment of dividends. As of June 30, 2002, the Company was in compliance with the covenants.

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

The Company has entered into an interest rate swap agreement with a major U.S. bank which expires November 30, 2004, to hedge its exposure to variability in expected future cash flows resulting from interest rate risk related to a portion of its long-term debt. The interest rate under the swap agreement is fixed at 6.8% and is based on the notional amount, which was $6.0 million at June 30, 2002. The swap contract is inversely correlated to the related hedged long-term debt and is, therefore, considered an effective cash flow hedge of the underlying long-term debt. The level of effectiveness of the hedge is measured by the changes in the market value of the hedged long-term debt resulting from fluctuation in interest rates. During fiscal 2001, variable interest rates decreased resulting in an interest rate swap liability of $147,000 as of December 31, 2001. As of June 30, 2002, the swap liability was $138,000. As a matter of policy, the Company does not enter into derivative transactions for trading or speculative purposes.

Total working capital increased approximately 1.0% to $20.0 million as of June 30, 2002, from $19.8 million as of December 31, 2001. The Company believes that such working capital position will be sufficient for foreseeable operations and growth opportunities. The Company's total debt to equity ratio decreased to 0.97 at June 30, 2002, from 1.02 at December 31, 2001. It is anticipated that this ratio may increase should the Company use its credit facilities to fund additional inventory sourcing opportunities.The Company has no material plans or commitments for capital expenditures other than in connection with manufacturing expansion at Diodes-China, Diodes-FabTech equipment requirements, and the Company's implementation of an Enterprise Resource Planning ("ERP") software package. 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. Based upon plans for new product introductions, product mixes, capacity restraints on certain product lines and equipment upgrades, the Company expects that year 2002 capital expenditures for its manufacturing facilities will run approximately $4.0 to $6.0 million, with an additional approximately $1.0 million for the ERP project.

CRITICAL ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 1 to the financial statements included in Item 14 of the Annual Report on Form 10-K, filed with the SEC for the year ended December 31, 2001. The Company believes its most critical accounting policies include inventory obsolescence reserves, allowance for doubtful accounts, accounting for goodwill and accounting for income taxes.

The $2.6 million estimate for inventory obsolescence reserves is developed using inventory aging reports for finished goods, work-in-progress and raw materials, combined with historical usage, forecasted usage and inventory shelf-life. As trends in these variables change, the percentages applied to the inventory aging categories are updated.

The $367,000 estimate of allowance for doubtful accounts is comprised of two parts, a specific account analysis and a general reserve. Accounts where specific information indicates a potential loss may exist are reviewed and a specific reserve against amounts due is recorded. As additional information becomes available such specific account reserves are updated. Additionally, a general reserve is applied to the aging categories based on historical collection and write-off experience. As trends in historical collection and write-offs change, the percentages applied against the accounts receivable aging categories are updated.

The Company has applied the new rules on accounting for goodwill beginning in the first quarter of 2002. An independent appraiser, hired by the Company, performed the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002, and has determined that the goodwill is fully recoverable. Similar analysis will be performed at least annually.

As of June 30, 2002, accumulated and undistributed earnings of Diodes-China is approximately $24.2 million. Through March 31, 2002, the Company had not recorded deferred Federal or state tax liabilities (estimated to be $8.9 million) on these cumulative earnings since the Company considered this investment to be permanent, and had no plans, intentions or obligation to distribute all or part of that amount from China to the United States. Beginning in April 2002, the Company began to record deferred taxes on a portion of the earnings of Diodes-China. As of June 30, 2002, the Company has recorded $360,000 in deferred taxes.

The Company is evaluating the need to provide additional deferred taxes for the future earnings of Diodes-China to the extent such earnings may be appropriated for distribution to Diodes-North America, and as further investment strategies with respect to Diodes-China are determined. Should the Company's North American cash requirements exceed the cash that is provided through the domestic credit facilities, cash can be obtained from the Company's foreign subsidiaries. However, the distribution of any unappropriated funds to the U.S. will require the recording of income tax provisions on the U.S. entity, thus reducing net income.

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 under "Risk Factors" 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.

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 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.

The risks of becoming a fully integrated manufacturer are amplified in an industry-wide slowdown because of the fixed costs associated with manufacturing facilities.

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, and 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, and economic and political instability;
changes in import/export regulations, tariffs and freight rates;
difficulties in collecting receivables and enforcing contracts generally;
currency exchange rate fluctuations; and,
restrictions on the transfer of funds from foreign subsidiaries to Diodes-North America.

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 that 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, Inc. 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, any 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.

The Company received a claim from one of its former U.S. landlords, regarding potential groundwater contamination at a site in which the Company engaged in manufacturing from 1967 to 1973, alleging that the Company may have some responsibility for cleanup costs. Although investigations into the landlord's allegations are ongoing, the Company does not anticipate that the ultimate outcome of this matter will have a material effect on its financial condition.

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 than we are in reducing the total cost to customers of their products.

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.

DEFERRED TAXES As of June 30, 2002, accumulated and undistributed earnings of Diodes-China is approximately $24.2 million. Through March 31, 2002, the Company had not recorded deferred Federal or state tax liabilities (estimated to be $8.9 million) on these cumulative earnings since the Company considered this investment to be permanent, and had no plans, intentions or obligation to distribute all or part of that amount from China to the United States. Beginning in April 2002, the Company began to record deferred taxes on a portion of the earnings of Diodes-China. As of June 30, 2002, the Company has recorded $360,000 in deferred taxes.

The Company is evaluating the need to provide additional deferred taxes for the future earnings of Diodes-China to the extent such earnings may be appropriated for distribution to Diodes-North America, and as further investment strategies with respect to Diodes-China are determined. Should the Company's North American cash requirements exceed the cash that is provided through the domestic credit facilities, cash can be obtained from the Company's foreign subsidiaries. However, the distribution of any unappropriated funds to the U.S. will require the recording of income tax provisions on the U.S. entity, thus reducing net income.

FOREIGN CURRENCY RISK

The Company faces exposure to adverse movements in foreign currency exchange rates, primarily in Asia. The Company's foreign currency risk may change over time as the level of activity in foreign markets grows and could have an adverse impact upon the Company's financial results. Certain of the Company's assets, including certain bank accounts and accounts receivable, and liabilities exist in non-U.S. dollar denominated currencies, which are sensitive to foreign currency exchange fluctuations. These currencies are principally the Chinese Yuan, the Taiwanese dollar, the Japanese Yen, and the Hong Kong dollar. Because of the relatively small size of each individual currency exposure, the Company does not employ hedging techniques designed to mitigate foreign currency exposures. Therefore, the Company could experience currency gains and losses.

INTEREST RATE RISK The Company has credit agreements with U.S. and Far East financial institutions at interest rates equal to LIBOR or similar indices plus a negotiated margin. A rise in interest rates could have an adverse impact upon the Company's cost of working capital and its interest expense. The Company entered into an interest rate swap agreement to hedge its exposure to variability in expected future cash flows resulting from interest rate risk related to a portion of its long-term debt. At June 30, 2002, the interest rate swap agreement applies to $6.0 million of the Company's long-term debt and expires November 30, 2004. The swap contract is inversely correlated to the related hedged long-term debt and is therefore considered an effective cash flow hedge of the underlying long-term debt. The level of effectiveness of the hedge is measured by the changes in the market value of the hedged long-term debt resulting from fluctuation in interest rates. As a matter of policy, the Company does not enter into derivative transactions for trading or speculative purposes.

POLITICAL RISK. The Company has a significant portion of its assets (57% at June 30, 2002) in Mainland China, Taiwan and Hong Kong. The possibility of political conflict between countries or with the United States could have an adverse impact upon the Company's ability to transact business through these important business segments and to generate profits.

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

The Company submitted to a vote of its security holders at an annual meeting of shareholders on June 10, 2002, the election of members of the Board of Directors. The directors were each elected to serve until the 2002 annual meeting or until their successors are elected and have qualified. The results of the tabulation for each nominee for director of the Company is as follows:

C.H. Chen,	For:	7,055,563
Director	Withheld:	126,125

Michael R. Giordano, Director	For:	7,149,081
	Withheld:	32,607
Keh-Shew Lu, Director	For:	7,150,161
	Withheld:	31,527
M.K. Lu, Director	For:	7,146,481
	Withheld:	35,207
Shing Mao, Director	For:	7,156,431
	Withheld:	25,257
Raymond Soong, Director	For:	7,155,876
	Withheld:	25,812
John M. Stich, Director	For:	7,150,281
	Withheld:	31,407

The Company also submitted to a vote of its security holders at an annual meeting of shareholders on June 10, 2002, the appointment of Moss Adams LLP as the Company's independent certified public accountants for the fiscal year ending December 31, 2002. The result of the tabulation was 7,158,386 shares voted in favor of the proposal, 18,750 shares voted against, and 4,552 abstained from voting on the proposal. No broker non-votes with respect to this proposal were received.

ITEM 5. OTHER INFORMATION

The proxy materials for the 2002 annual meeting of stockholders held on June 10, 2002 were mailed to stockholders of the Company on April 29, 2002. Under certain circumstances, stockholders are entitled to present proposals at stockholder meetings. Any such proposal to be included in the proxy statement for the 2003 annual meeting of stockholders must be received at the Company's executive offices at 3050 East Hillcrest Drive, Westlake Village, California, 91362, addressed to the attention of the Corporate Secretary by December 27, 2002 in a form that complies with applicable regulations. Recently, the Securities and Exchange Commission amended its rule governing a company's ability to use discretionary proxy authority with respect to stockholder proposals which were not submitted by the stockholders in time to be included in the proxy statement. As a result of that rule change, in the event a stockholder proposal is not submitted to the Company prior to March 15, 2003, the proxies solicited by the Board of Directors for the 2003 annual meeting of stockholders will confer authority on the holders of the proxy to vote the shares in accordance with their best judgment and discretion if the proposal is presented at the 2003 annual meeting of stockholders without any discussion of the proposal in the proxy statement for such meeting.

6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 10.48	Third Amendment and Waiver to Union Bank Credit Agreement
Exhibit 11	Computation of Earnings Per Share
Exhibit 99.46	Diodes Incorporated Announces Conference Call To Discuss Second Quarter FY 2002 Results
Exhibit 99.47	Diodes, Inc. Reports Second Quarter 2002 Results
Exhibit 99.48	Diodes Incorporated Raises Guidance for Q2 2002
Exhibit 99.49	Diodes Incorporated Introduces New Low-Capacitance Data Line Protection Device
Exhibit 99.50	Diodes Incorporated Introduces Matched Transistor Arrays Reduces board space and device cost, while providing greater design flexibility
Exhibit 99.51	Diodes Incorporated Introduces New Low-Capacitance Data Line Protection Device
Exhibit 99.52	Diodes Announces Launch of Comprehensive Line of Pre-biased Transistors
Exhibit 99.53	CERTIFICATION PURSUANT TO 18 U.S.C. 1350 ADOPTED

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

(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 August 9, 2002

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

INDEX TO EXHIBITS

EXHIBIT 10.48

THIRD AMENDMENT AND WAIVER
TO CREDIT AGREEMENT

THIS THIRD AMENDMENT AND WAIVER TO CREDIT AGREEMENT (this "Third Amendment") dated as of May 1, 2002, is made and entered into by and between DIODES INCORPORATED, a Delaware corporation ("Borrower"), and UNION BANK OF CALIFORNIA, N.A., a national banking association ("Bank").

RECITALS:

A. Borrower and Bank are parties to that certain Credit Agreement dated as of December 1, 2000, as amended by that certain First Amendment and Waiver dated as of August 10, 2001 and that certain Second Amendment and Waiver dated as of November 14, 2001 (as so amended, the "Agreement"), pursuant to which Bank agreed to extend certain credit facilities to Borrower in the amounts provided for therein.

B. Pursuant to Section 6.5 of the Agreement, Borrower agreed, among other things, to cause Borrower and its Subsidiaries to maintain a Leverage Ratio of not greater than 1.75 to 1.0 as of the last day of each fiscal quarter ending after December 31, 2000. Borrower failed to cause Borrower and its Subsidiaries to maintain a Leverage Ratio of not greater than 1.75 to 1.0 as of the last day of the fiscal quarter ended December 31, 2001, which failure constitutes an Event of Default under Section 8.1(c) of the Agreement.

C. Pursuant to Section 6.6 of the Agreement, Borrower agreed, among other things, to cause Borrower and its Subsidiaries to maintain a Fixed Charge Coverage Ratio of not less than 1.75 to 1.0 as of the last day of each fiscal quarter ending after December 31, 2000. Borrower failed to cause Borrower and its Subsidiaries to maintain a Fixed Charge Coverage Ratio of not less than 1.75 to 1.0 as of the last day of the fiscal quarter ended December 31, 2001, which failure constitutes an Event of Default under Section 8.1(c) of the Agreement.

D. Pursuant to Section 6.7 of the Agreement, Borrower agreed, among other things, to cause Borrower and its Subsidiaries (excluding SKE) to maintain a Fixed Charge Coverage Ratio of not less than 1.0 to 1.0 as of the last day of each fiscal quarter. Borrower failed to cause Borrower and its Subsidiaries (excluding SKE) to maintain a Fixed Charge Coverage Ratio of not less than 1.0 to 1.0 as of the last day of the fiscal quarter ended December 31, 2001, which failure constitutes an Event of Default under Section 8.1(c) of the Agreement.

E. Pursuant to Section 6.8 of the Agreement, Borrower agreed, among other things, to cause Borrower and its Subsidiaries to achieve Net Profit After Taxes of not less than Five Hundred Thousand Dollars ($500,000) for each fiscal quarter. Borrower failed to cause Borrower and its Subsidiaries to achieve Net Profit After Taxes of not less than Five Hundred Thousand Dollars ($500,000) for the fiscal quarter ended December 31, 2001, which failure constitutes an Event of Default under Section 8.1(c) of the Agreement.

F. Borrower has requested that Bank agree to waive the Events of Default described in Recitals B, C, D and E hereinabove. Bank is willing to so waive such Events of Default, subject, however, to the terms and conditions of this Third Amendment.

G. Immediately prior to giving effect to this Third Amendment, the aggregate outstanding principal amount of the Term Loans made by Bank to Borrower pursuant to the Prior Agreement was Three Hundred Forty-Eight Thousand Three Hundred Thirty-Three and 38/100 Dollars ($348,333.38). Bank's willingness to enter into this Third Amendment is expressly subject to the condition that Borrower repay in full the aggregate outstanding principal amount of the Term Loans, including any accrued but unpaid interest thereon.

H. Borrower has further requested that Bank agree to amend the Agreement in certain respects. Bank is willing to agree to so amend the Agreement, subject, however, to the terms and conditions of this Third Amendment

AGREEMENT:

In consideration of the above recitals and of the mutual covenants and conditions contained herein, Borrower and Bank agree as follows:

1. RECITALS INCORPORATED AND DEFINED TERMS. The recitals set forth above are incorporated by reference herein. Initially capitalized terms used herein which are not otherwise defined shall have the meanings assigned thereto in the Agreement.

2. AMENDMENTS TO THE AGREEMENT.

(a) Section 1 of the Agreement is hereby amended by adding a definition of "CAPITAL EXPENDITURES MAINTENANCE AMOUNT" thereto in the appropriate alphabetical order, which shall read in full as follows:

"'CAPITAL EXPENDITURES MAINTENANCE AMOUNT' shall mean, for each fiscal year, an amount equal to Three Million Dollars ($3,000,000)."

(b) Section 1 of the Agreement is hereby further amended by adding a definition of "CURRENT RATIO" thereto in the appropriate alphabetical order, which shall read in full as follows:

"'CURRENT RATIO' shall mean, as of the last day of any fiscal quarter, calculated for Borrower and its Subsidiaries (other than any Foreign Subsidiaries) on a consolidated basis, the ratio of (a) current assets as of such date, less intercompany Indebtedness, to (b) current liabilities as of such date, less intercompany Indebtedness, in each case as determined in accordance with GAAP."

(c) The definition of "DEBT SERVICE" appearing in Section 1 of the Agreement is hereby amended to read in full as follows:

"'DEBT SERVICE' shall mean:

"(a) as of March 31, 2002, June 30, 2002 and September 30, 2002 only, the sum, without duplication, of (i) the amount of all scheduled principal payments in respect of Indebtedness of Borrower and its Subsidiaries during the four (4) consecutive fiscal quarters ended on that date, plus (ii) interest expense of Borrower and its Subsidiaries paid or payable during such fiscal quarter multiplied by four (4) plus (iii) the aggregate amount of dividends declared or paid by Borrower and its Subsidiaries during such fiscal quarter multiplied by four (4) plus (iv) the aggregate amount paid by Borrower and its Subsidiaries to their shareholders in respect of treasury stock during such fiscal quarter multiplied by four (4); and

"(b) as of December 31, 2002 and as of the last day of each fiscal quarter thereafter, the sum, without duplication, of (i) the amount of all scheduled principal payments in respect of Indebtedness of Borrower and its Subsidiaries during the four (4) consecutive fiscal quarters ended on that date, plus (ii) interest expense of Borrower and its Subsidiaries paid or payable during such fiscal period plus (iii) the aggregate amount of dividends declared or paid by Borrower and its Subsidiaries during such fiscal period plus (iv) the aggregate amount paid by Borrower and its Subsidiaries to their shareholders in respect of treasury stock during such fiscal period."

(d) The definition of "EBITDA" appearing in Section 1 of the Agreement is hereby amended to read in full as follows:

"'EBITDA' shall mean:

"(a) for each of the fiscal quarters ended or ending March 31, 2002, June 30, 2002 and September 30, 2002 only, the sum of (i) the net income of Borrower and its Subsidiaries for such fiscal quarter multiplied by four (4), plus (ii) any non-operating non-recurring loss reflected in such net income multiplied by four (4), minus (iii) any non-operating non-recurring gain reflected in such net income multiplied by four (4), plus (iv) interest expense of Borrower and its Subsidiaries for such fiscal quarter multiplied by four (4), plus (v) the aggregate amount of federal and state taxes on or measured by income of Borrower and its Subsidiaries for that fiscal quarter multiplied by four (4) (whether or not payable during such fiscal quarter), minus (vi) the aggregate amount of federal and state credits against taxes on or measured by income of Borrower and its Subsidiaries for that fiscal quarter multiplied by four (4) (whether or not usable during that fiscal quarter), plus (vii) depreciation, amortization and all other non-cash expenses of Borrower and its Subsidiaries for that fiscal quarter multiplied by four (4), in each case as determined in accordance with GAAP; and

"(b) for the fiscal year ending December 31, 2002 and for each fiscal quarter thereafter, the sum of (i) the net income of Borrower and its Subsidiaries for the four (4) consecutive fiscal quarters ending on such date, plus (ii) any non-operating non-recurring loss reflected in such net income for the four (4) consecutive fiscal quarters ending on such date, minus (iii) any non-operating non-recurring gain reflected in such net income for the four (4) consecutive fiscal quarters ending on such date, plus (iv) interest expense of Borrower and its Subsidiaries for the four (4) consecutive fiscal quarters ending on such date, plus (v) the aggregate amount of federal and state taxes on or measured by income of Borrower and its Subsidiaries for the four (4) consecutive fiscal quarters ending on that date (whether or not payable during such fiscal period), minus (vi) the aggregate amount of federal and state credits against taxes on or measured by income of Borrower and its Subsidiaries for the four (4) consecutive fiscal quarters ending on such date (whether or not usable during that fiscal period), plus (vii) depreciation, amortization and all other non-cash expenses of Borrower and its Subsidiaries for the four (4) consecutive fiscal quarters ending on such date, in each case as determined in accordance with GAAP."

(e) The definition of "FIXED CHARGE COVERAGE RATIO" appearing in Section 1 of the Agreement is hereby amended to read in full as follows:

"'FIXED CHARGE COVERAGE RATIO' shall mean, as of the date of calculation, calculated for Borrower and its Subsidiaries on a consolidated basis, the ratio of (a) (i) EBITDA for the applicable fiscal period minus (ii) the Capital Expenditures Maintenance Amount and minus (iii) federal and state income tax expense during such applicable fiscal period to (b) Debt Service for such applicable fiscal period."

(f) Section 1 of the Agreement is hereby further amended by adding the definitions of "FOREIGN SUBSIDIARIES" and "FOREIGN SUBSIDIARY" thereto in the appropriate alphabetical order, which shall read in full as follows:

"'FOREIGN SUBSIDIARIES' and 'FOREIGN SUBSIDIARY' shall mean, respectively, (a) Subsidiaries of a Person organized and existing under the laws of a country or jurisdiction other than the United States of America or any state thereof, and (b) any one of such Subsidiaries."

(g) Section 1 of the Agreement is hereby further amended by adding a definition of "FOREIGN SUBSIDIARY INDEBTEDNESS" thereto in the appropriate alphabetical order, which shall read in full as follows:

"'FOREIGN SUBSIDIARY INDEBTEDNESS' shall mean Indebtedness of the Foreign Subsidiaries of Borrower incurred after December 31, 2001."

(h) The definition of "LEVERAGE RATIO" appearing in Section 1 of the Agreement is hereby amended to read in full as follows:

"'LEVERAGE RATIO' shall mean, as of the last day of any fiscal quarter, determined for Borrower and its Subsidiaries on a consolidated basis, the ratio of (a) all Indebtedness of Borrower and its Subsidiaries on that date to (b) EBITDA for such fiscal quarter multiplied by four (4) or EBITDA for the four (4) consecutive fiscal quarters ended on such date, as required by the definition of EBITDA."

(i) The definition of "NET PROFIT AFTER TAXES" appearing in Section 1 of the Agreement is hereby amended to read in full as follows:

"'NET PROFIT AFTER TAXES' shall mean, for any fiscal period, the after-tax income of Borrower and its Subsidiaries for such fiscal period, as determined in accordance with GAAP. For the purposes of determining Borrower's compliance with Section 6.8 hereof, 'Net Profit After Taxes' shall not include any income adjustments required as a result of the recent GAAP pronouncement on goodwill."

(j) The definition of "PERMITTED INDEBTEDNESS" appearing in Section 1 of the Agreement is hereby amended by deleting the word "and" appearing at the end of subsection (i) thereof, substituting "; and" for the period appearing at the end of subsection (j) thereof, and adding a new subsection (k) thereto, which shall read in full as follows:

"(k) Foreign Subsidiary Indebtedness; provided, however, that (i) the aggregate outstanding principal amount of such Foreign Subsidiary Indebtedness shall not exceed Thirty-One Million Dollars ($31,000,000) at any time and (ii) within fifteen (15) days following the incurrence of any Foreign Subsidiary Indebtedness, Borrower shall prepay the principal Indebtedness evidenced by the Acquisition Note as required under Section 2.7(d) hereof."

(k) Section 2.4(a) of the Agreement is hereby amended to read in full as follows:

"(a) No more than Four Million Dollars ($4,000,000) of the proceeds of the Revolving Loans were used by Borrower to consummate the Stock Purchase. The remaining proceeds of the Revolving Loans shall be used for Borrower's domestic working capital purposes only. Without limiting the generality of the foregoing sentence, Borrower shall not use the proceeds of any Revolving Loan directly or indirectly to finance the overseas operations or Capital Expenditures of Borrower or any of its Subsidiaries or to repay or prepay any Subordinated Indebtedness."

(l) Section 2.7 of the Agreement is hereby amended by adding a new subsection (d) thereto, which shall read in full as follows:

"(d) Within fifteen (15) days after the date on which any Foreign Subsidiary incurs any Foreign Subsidiary Indebtedness (other than Foreign Subsidiary Indebtedness incurred by Diodes Taiwan Co. Ltd., the proceeds of which are paid, directly or indirectly, to Guarantor for the purpose of making regularly scheduled principal payments on the Subordinated Indebtedness), Borrower shall prepay the principal Indebtedness evidenced by the Acquisition Note in an amount not less than fifty percent (50%) of the principal amount of such Foreign Subsidiary Indebtedness; provided that the aggregate amount of all such prepayments of the principal Indebtedness evidenced by the Acquisition Note during the term of this Agreement shall not exceed Two Million Five Hundred Thousand Dollars ($2,500,000). Each such mandatory prepayment of principal shall be in addition to any contractually scheduled principal payments due under the Acquisition Loan."

(m) Section 2 of the Agreement is hereby further amended by adding a new Section 2.11 thereto, which shall read in full as follows:

"2.11 REVOLVING CREDIT COMMITMENT UNUSED FEE. On the last Business Day of each fiscal quarter of each fiscal year, commencing June 30, 2002, and on the Revolving Credit Commitment Termination Date, Borrower shall pay to Bank a fee in respect of the Revolving Credit Commitment equal to the Applicable Percentage of the average daily unutilized amount of the Revolving Credit Commitment during such fiscal quarter or portion thereof. As used herein, the term "Applicable Percentage" shall mean (a) three-eighths of one percent (3/8 of 1%) per annum, if the Leverage Ratio as of the last day of such fiscal quarter was greater than 2.0 to 1.0, (b) three-tenths of one percent (3/10 of 1%) per annum, if the Leverage Ratio as of the last day of such fiscal quarter was less than or equal to 2.0 to 1.0 but greater than 1.5 to 1.0, (c) one-quarter of one percent (1/4 of 1%) per annum, if the Leverage Ratio as of the last day of such fiscal quarter was less than or equal to 1.5 to 1.0 but greater than 1.0 to 1.0, and (d) one-fifth of one percent (1/5 of 1%) per annum, if the Leverage Ratio as of the last day of such fiscal quarter was less than or equal to 1.0 to 1.0."

(n) Section 6.5 of the Agreement is hereby amended to read in full as follows:

"6.5 LEVERAGE RATIO. Borrower and its Subsidiaries shall maintain a Leverage Ratio of not greater than (a) 2.5 to 1.0 as of the last day of the fiscal quarter ending March 31, 2002 and (b) 2.0 to 1.0 as of the last day of each fiscal quarter ending thereafter."

(o) Section 6.6 of the Agreement is hereby amended to read in full as follows:

"6.6 FIXED CHARGE COVERAGE RATIO. Borrower and its Subsidiaries shall maintain a Fixed Charge Coverage Ratio of not less than (a) 1.25 to 1.0 as of the last day of the fiscal quarter ended March 31, 2002, (b) 1.50 to 1.0 as of the last day of the fiscal quarters ending June 30, 2002 and September 30, 2002, respectively, and (c) 1.35 to 1.0 as of the last day of the fiscal quarter ending December 31, 2002 and as of the last day of each fiscal quarter ending thereafter."

(p) Section 6.7 of the Agreement is hereby amended to read in full as follows:

"6.7 CURRENT RATIO. Borrower and its Subsidiaries (other than any Foreign Subsidiaries) shall maintain a Current Ratio of not less than 1.15 to 1.0 as of the last day of each fiscal quarter."

(q) Section 6.8 of the Agreement is hereby amended to read in full as follows:

"6.8 NET PROFIT AFTER TAXES. Borrower and its Subsidiaries shall achieve Net Profit After Taxes of not less than (a) One Dollar ($1) for the fiscal quarter ended March 31, 2002 and (b) Five Hundred Thousand Dollars ($500,000) for each fiscal quarter ending thereafter."

(r) Section 7.10 of the Agreement is hereby amended to read in full as follows:

"7.10 CAPITAL EXPENDITURES. Borrower and its Subsidiaries shall not in any fiscal year make or incur any Capital Expenditure if after giving effect thereto, the aggregate amount of all Capital Expenditures by Borrower and its Subsidiaries in such fiscal year would exceed Nine Million Five Hundred Thousand Dollars ($9,500,000)."

3. WAIVERS.

(a) Subject to the terms and conditions set forth in this Third Amendment, Bank hereby waives the Events of Default that occurred under Section 8.1(c) of the Agreement as a result of Borrower's failure to comply with Sections 6.5, 6.6, 6.7 and 6.8 as of the last day of the fiscal quarter ended December 31, 2001.

(b) The waivers provided for in this Section 3 are limited precisely as written and shall not be deemed to excuse Borrower's further performance of Section 6.5, 6.6, 6.7 or 6.8 of the Agreement, or of any other condition, covenant or term contained in the Agreement or any other Loan Document. Any failure or delay on the part of Bank in the exercise of any right, power or privilege under the Agreement or any other Loan Document shall not operate as a waiver thereof.

4. EFFECTIVENESS OF THIS THIRD AMENDMENT. This Third Amendment shall become effective as of the date hereof when, and only when,

Bank shall have received all of the following, in form and substance satisfactory to Bank:

(a) A counterpart of this Third Amendment, duly executed by Borrower and acknowledged by Guarantor where indicated hereinbelow;

(b) A replacement Revolving Note and a replacement Acquisition Note, each duly executed by Borrower;

(c) An Authorization to Disburse in connection with the replacement Revolving Note and an Authorization to Disburse in connection with the replacement Acquisition Note, each duly executed by Borrower;

(d) A Second Amendment to Subordination Agreement, duly executed by Subordinating Creditor and acknowledged by Guarantor and Borrower;

(e) Borrower shall have repaid in full the aggregate outstanding principal amount of the Term Loans, together with any accrued but unpaid interest thereon; and

(f) Such other documents, instruments or agreements as Bank may reasonably deem necessary.

5. FEE. Borrower hereby acknowledges that an amendment, waiver and legal documentation fee in the sum of Forty-Seven Thousand Five Hundred Fifty Dollars ($47,550) shall be charged to Borrower's demand deposit account number 3030152777 on June 14, 2002.

6. RATIFICATION.

(a) Except as specifically amended hereinabove, the Agreement shall remain in full force and effect and is hereby ratified and confirmed; and

(b) Upon the effectiveness of this Third Amendment, each reference in the Agreement to "this Agreement", "hereunder", "herein", "hereof" or words of like import referring to the Agreement shall mean and be a reference to the Agreement as amended by this Third Amendment, and each reference in the Agreement to the "Notes" shall mean the replacement Revolving Note and the replacement Acquisition Note issued pursuant to this Third Amendment.

7. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants as follows:

(a) Each of the representations and warranties contained in Section 5 of the Agreement, as amended hereby, is hereby reaffirmed as of the date hereof, each as if set forth herein;

(b) The execution, delivery and performance of this First Amendment and the execution and delivery of the replacement Revolving Note and the replacement Acquisition Note are within Borrower's corporate powers, have been duly authorized by all necessary corporate action, have received all necessary approvals, if any, and do not contravene any law or any contractual restriction binding on Borrower;

(c) This Third Amendment is, and the replacement Revolving Note and the replacement Acquisition Note when delivered for value received will be, the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms; and

(d) No event has occurred and is continuing or would result from this Third Amendment which constitutes an Event of Default under the Agreement, or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

8. GOVERNING LAW. This Third Amendment shall be deemed a contract under and subject to, and shall be construed for all purposes

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and in accordance with, the laws of the State of California.

9. COUNTERPARTS. This Third Amendment may be executed in two or more counterparts, each of which shall be deemed an original and

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all of which together shall constitute one and the same instrument.

WITNESS the due execution hereof as of the date first above written.

"Borrower"

DIODES INCORPORATED

By: /s/ Carl Wertz
Carl Wertz

Title: CFO

"Bank"

UNION BANK OF CALIFORNIA, N.A.

By: /s/ John Kase
John Kase

Title: VP

Acknowledgment of Guarantor

The undersigned, as Guarantor pursuant to that certain Continuing Guaranty dated as of December 1, 2000 (the "Guaranty"), hereby consents to the foregoing Third Amendment and acknowledges and agrees, without in any manner limiting or qualifying its obligations under the Guaranty, that payment of the Obligations (as such term is defined in the Guaranty) and the punctual and faithful performance, keeping, observance and fulfillment by Borrower of all of the agreements, conditions, covenants and obligations of Borrower contained in the Agreement are and continue to be unconditionally guaranteed by the undersigned pursuant to the Guaranty.

FABTECH, INC.

By: /s/ Walter Buchanan
Walter Buchanan

Title: President

EXHIBIT - 11

DIODES INCORPORATED AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
(Unaudited)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2002	2001	2002
BASIC				
Weighted average number of common shares outstanding used in computing basic earnings per share	8,143,318	8,176,025	8,139,501	8,170,704
Net income	$ 525,000	$ 1,563,000	$ 1,047,000	$ 1,772,000
Basic earnings per share	$ 0.06	$ 0.19	$ 0.13	$ 0.22
DILUTED				
Weighted average number of common shares outstanding used in computing basic earnings per share	8,143,318	8,176,025	8,139,501	8,170,704
Assumed exercise of stock options	753,426	698,391	831,290	653,321
	8,896,744	8,874,416	8,970,791	8,824,025
Net income	$ 525,000	$ 1,563,000	$ 1,047,000	$ 1,772,000
Diluted earnings per share	$ 0.06	$ 0.18	$ 0.12	$ 0.20

EXHIBIT 99.46

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Announces Conference Call
To Discuss Second Quarter FY 2002 Results

Westlake Village, California - July 18, 2002 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive markets, will host a conference call at 8 a.m. PDT (11 a.m. EDT) on Wednesday, July 31st to discuss second quarter of FY 2002 results.

Joining C.H. Chen, President and CEO of Diodes Incorporated, 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 three Far East subsidiaries, Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, Diodes-Taiwan (ISO-9000 certified) in Taipei, and Diodes-Hong Kong. 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. Diodes-Hong Kong covers sales warehouse and logistics functions. The Company's 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 99.47

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes, Inc. Reports Second Quarter 2002 Results
Q2 net income triples to $1.6 million, $0.18 per share, compared to Q2 2001

Westlake Village, California, July 31, 2002 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, today reported financial results for the second quarter ended June 30, 2002.

Second Quarter Highlights:
Revenue grows 42.6% from Q2 2001 and 11.2% sequentially Gross margin improves 760 basis points from the first quarter to 23.8% $10 million debt restructuring strengthens cash position
Launches UDZ series of Zener diodes, the first product series utilizing the Company's high precision, proprietary Zener diode process

Revenues for the second quarter of 2002 were $29.9 million, a sequential increase of 11.2% from the first quarter of 2002, and an increase of 42.6% from the second quarter of 2001.

Net income for the quarter was $1.6 million, as compared to $525,000 for the three months ended June 30, 2001 and compared to $208,000 in the first quarter ended March 31, 2002. Diluted earnings per share were $0.18 for the second quarter of 2002, as compared to $0.06 for the same period last year.

For the first six months of 2002, the Company earned $1.8 million, or $0.20 per diluted share, on revenues of $56.9 million, compared to net income of $1.0 million, or $0.12 per diluted share, on revenues of $46.7 million for the same period in 2001.

C.H. Chen, Diodes' President and CEO, said, "We are pleased with our performance for the second quarter of 2002. We are especially encouraged by the acceptance of our next-generation discrete products in the marketplace. Worldwide demand for semiconductors is slowly improving and our success in securing record numbers of new design wins over the past several quarters is translating into increased market penetration and higher revenue. This combination of revenue growth and our continued cost containment efforts resulted in a nearly fourfold increase in operating income."

Diodes revenue growth in the second quarter was driven by the strength primarily in the North American markets, which accounted for 54% of sales.

Unit demand was up across all markets year-over-year and showed a 38% increase in total, and increased 8% sequentially. In addition, overall average selling prices have improved 4.5% sequentially. Pricing remained weak in Asia, where prices were down 1% sequentially, but appear to be stabilizing.

Capacity utilization increased sequentially to 80% at the Mainland China facility, Diodes-China, from 58% in the first quarter, and to 73% at our wafer facility, Diodes-FabTech, from 65% in the prior quarter. Increased utilization, which was due to renewed distribution and OEM ordering, led to lower unit costs and a significant improvement in gross profit margin. For the quarter, the gross profit margin was 23.8%, compared to 16.2% in the first quarter of 2002 and 19.3% in the same period last year.

For the quarter, SG&A expenses were $4.4 million, or 14.6% of sales, as compared to $3.3 million, or 15.6% of sales, in the comparable quarter last year, and compared to 14.0% of sales last quarter.

Research and development expenses continue to ramp up based on Diodes multi-year strategy to develop leading next-generation products and to become a dominant semiconductor supplier. For the second quarter, R&D spending increased to $460,000 from $313,000 in the prior quarter.

"Our market share for targeted differentiated products continues to improve and new products now account for approximately 6% of revenue," Mr. Chen continued. "During the quarter, we launched several major new products to support the Company's integrated platform of discrete products including our UDZ series, the first series of Zener diodes using our proprietary technology, and our matched dual transistor arrays. The new UDZ chip technology premiered in the sub-miniature SOD-323 package and is scheduled to be implemented across a range of semiconductor packaging and in conjunction with other discrete technologies."

Diodes generated $9.0 million in positive cash flow from operations in the first six months of 2002, with $4.8 million in the second quarter. The Company ended the second quarter with $6.8 million in cash and cash equivalents, after paying down $3.0 million in term debt and approximately $3.2 million on its revolving credit facility since the beginning of the year. Inventories increased slightly from the first quarter to $15.3 million as industry demand improved, but levels remain conservatively lower than those posted in 2001.

Mr. Chen concluded, "We are cautiously optimistic about the state of the semiconductor industry. After a challenging year, we are seeing renewed distributor ordering but we remain watchful of the end equipment demand. Therefore, for the third quarter, we are projecting revenue to be flat to slightly up, with gross margins expected to increase approximately 100 basis points as we gain from operational efficiencies, improved capacity utilization and sales of higher margin, differentiated products."

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 three Far East subsidiaries, Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, Diodes-Taiwan (ISO-9000 certified) in Taipei, and Diodes-Hong Kong. Diodes-China's manufacturing focus is on subminiature surface-mount devices destined for wireless devices, notebook, flat panel display, digital camera, mobile handset, set top box, DC to DC conversion, and automotive applications, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. Diodes-Hong Kong covers sales warehouse and logistics functions. The Company's 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, Inc.; (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 directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

CONSOLIDATED CONDENSED INCOME STATEMENT and BALANCE SHEET FOLLOWS

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2002	2001	2002
Net sales	$ 21,001,000	$ 29,946,000	$ 46,749,000	$ 56,870,000
Cost of goods sold	16,957,000	22,815,000	38,584,000	45,387,000
Gross profit	4,044,000	7,131,000	8,165,000	11,483,000
Research and development expenses	170,000	460,000	309,000	773,000
Selling, general and administrative expenses	3,283,000	4,370,000	6,328,000	8,135,000
Total operating expenses	3,453,000	4,830,000	6,637,000	8,908,000
Income from operations	591,000	2,301,000	1,528,000	2,575,000
Other income (expense)				
Interest income	69,000	16,000	136,000	25,000
Interest expense	(570,000)	(292,000)	(1,310,000)	(638,000)
Other	220,000	109,000	123,000	125,000
	(281,000)	(167,000)	(1,051,000)	(488,000)
Income before income taxes and minority interest	310,000	2,134,000	477,000	2,086,000
Income tax benefit (provision)	260,000	(473,000)	689,000	(178,000)
Income before minority interest	570,000	1,661,000	1,166,000	1,908,000
Minority interest in joint venture earnings	(45,000)	(98,000)	(119,000)	(136,000)
Net income	$ 525,000	$ 1,563,000	$ 1,047,000	$ 1,772,000
Earnings per share				
Basic	$ 0.06	$ 0.19	$ 0.13	$ 0.22
Diluted	$ 0.06	$ 0.18	$ 0.12	$ 0.20
Weighted average shares outstanding				
Basic	8,143,318	8,176,025	8,139,501	8,170,704
Diluted	8,896,744	8,874,416	8,970,791	8,824,025

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

DIODES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEET

ASSETS

	December 31, 2001	June 30, 2002
		(Unaudited)
CURRENT ASSETS		
Cash and cash equivalents	$ 8,103,000	$ 6,821,000
Accounts receivable		
Customers	16,250,000	19,148,000
Related parties	1,486,000	4,033,000
	17,736,000	23,181,000
Less: Allowance for doubtful receivables	343,000	367,000
	17,393,000	22,814,000
Inventories	17,813,000	15,334,000
Deferred income taxes, current	4,368,000	4,373,000
Prepaid expenses, income taxes and other current assets	1,266,000	2,426,000
Total current assets	48,943,000	51,768,000
PROPERTY, PLANT AND EQUIPMENT, at cost, net of accumulated depreciation and amortization	44,925,000	44,698,000
DEFERRED INCOME TAXES, non-current	3,672,000	3,213,000

	December 31, 2001	June 30, 2002
OTHER ASSETS		
Goodwill, net	5,090,000	5,090,000
Other	628,000	1,055,000
TOTAL ASSETS	$ 103,258,000	$ 105,824,000

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, 2001	June 30, 2002
		(Unaudited)
CURRENT LIABILITIES		
Line of credit	$ 6,503,000	$ 360,000
Accounts payable		
Trade	6,098,000	9,926,000
Related parties	3,149,000	4,273,000
Accrued liabilities	5,062,000	6,498,000
Current portion of long-term debt		
Related party	2,500,000	2,500,000
Other	5,833,000	8,094,000
Current portion of capital lease obligations	--	154,000
Total current liabilities	29,145,000	31,805,000
LONG-TERM DEBT, net of current portion		
Related party	7,500,000	7,500,000
Other	13,664,000	8,399,000
CAPITAL LEASE OBLIGATIONS, net of current portion	--	2,564,000
MINORITY INTEREST IN JOINT VENTURE	1,825,000	1,962,000
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; 9,227,664 and 9,252,164 shares issued and outstanding at December 31, 2001 and June 30, 2002, respectively	6,151,000	6,167,000
Additional paid-in capital	7,310,000	7,809,000
Retained earnings	39,882,000	41,654,000
	53,343,000	55,630,000
Less:		
Treasury stock - 1,075,672 shares of common stock, at cost	1,782,000	1,782,000
Accumulated other comprehensive loss	437,000	254,000
	2,219,000	2,036,000
Total stockholders' equity	51,124,000	53,594,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 103,258,000	$ 105,824,000

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

EXHIBIT 99.48

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Raises Guidance for Q2 2002
Revenue, gross profit, bottom-line increased

Westlake Village, California, June 10, 2002 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive markets, today announced updated guidance for the second quarter of 2002 at it's annual meeting of shareholders.

The Company now expects to report double-digit sequential revenue growth for the second quarter, up from the previous guidance of approximately 4%. The growth is primarily due to strength in the North American market.

Gross profit margin is expected to be above 20%, which is up from the previous guidance of 17%-18% and primarily attributable to increased capacity utilization at the Company's Mainland China facility, Diodes-China, and at its wafer facility, Diodes-FabTech. The combination of revenue growth and operating efficiencies is expected to result in an over six-fold sequential increase in operating income for the second quarter.

C.H. Chen, Diodes' President and CEO, said, "After months of speculation among analysts, we are finally seeing evidence that semiconductor industry fundamentals are improving. Diodes is benefiting from renewed ordering by distributors, particularly in the North American market. In addition, we continue to improve the efficiency of our operations and bring down unit costs by increasing capacity utilization. We expect our average capacity utilization to be well over 70% for the second quarter compared to 60% for the previous quarter."

The Company's discussion of second quarter financial and operating performance is based on preliminary information and is subject to change based on actual financial and operating results for the period.

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 three Far East subsidiaries, Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, Diodes-Taiwan (ISO-9000 certified) in Taipei, and Diodes-Hong Kong. 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. Diodes-Hong Kong covers sales warehouse and logistics functions. The Company's 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 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
Recent 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 99.49

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Introduces New Low-Capacitance Data Line Protection Device

Westlake Village, California, April 23, 2002 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, today announced the launch of a new low-capacitance data line protection device.

The ability to preserve data integrity makes the DLP05LC ideally suited for cable set-top boxes and high-speed data transmission lines where the absence of signal degradation is of primary importance. Other targeted end-equipment applications that will benefit from this product include hand-held wireless systems and portable electronics, including PDAs and laptop computers and other computer peripherals and digital interfaces such as USB and SCSI ports.

Available in the popular subminiature SOT-23 surface mount package, the DLP05LC offers transient protection of up to 300 Watts of Peak Pulse Power and features extremely low capacitance of 1.6pF, typical. The low capacitance of the device helps to minimize signal attenuation and data corruption during data transmission. The measurement of transient protection for data, signal and Vcc bus conforms to industry-standard IEC 61000-4-2, level 4 for ESD and IEC 61000-4-4 for EFT.

The new product line will occupy a unique position in the market place, as there are currently no exact equivalents available. Mark King, Vice President of Sales and Marketing at Diodes Incorporated, confirmed that there has been "a very positive response from our customer base and we have already received production orders. In addition, we are exploring the possibility of expanding the availability of the protection circuit to other surface mount packages."

"This is another example of the benefits realized from our ongoing commitment to research and development programs," continued King. "These efforts are enabling us to bring exciting and innovative products to market and increasing our ability to penetrate new industry sectors.

"By working in tandem with our customer base and responding to their direct needs, we are developing proprietary product lines that add significant value to our relationships while at the same time enhancing the breadth and quality of our product range."

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
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

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 99.50

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Introduces Matched Transistor Arrays Reduces board space and device cost, while providing greater design flexibility

Westlake Village, California, June 18, 2002 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive markets, announced today that it has introduced matched dual transistors in compact surface mount packages.

Typical end products that will benefit from these new devices include audio applications such as microphone pre-amplifiers, networking and computing applications used in DC/DC converter designs, and consumer applications used as a current source to power LEDs on hands-free telephone headsets. Other end product applications include computer and peripheral, telecommunications, test and industrial automation.

The two new matched transistor array series offer circuit designers the convenience of designing low-cost, precision current mirrors and differential amplifiers that are difficult to find from other manufacturers. These arrays can also be used to generate the correct base voltage for the required collector current, guaranteeing automatic temperature compensation, important for applications where the transistor operating point must remain independent of temperature. Each series is offered in both NPN and PNP polarities.

"These new compact surface mount devices give circuit designers greater flexibility at a lower cost than traditional design approaches typically used to create a current source or differential amplifier," said Mark King, VP of Sales and Marketing at Diodes Incorporated. "As our focus on differentiated products increases, we have concentrated on providing smaller, more functional components, allowing us to continuously meet our customers' needs."

In DC/DC converter applications use of the matched transistors in a current mirror configuration results in circuitry that can be used to provide high current sense functionality. This configuration requires only 50% of the PCB (Printed Circuit Board) area, and costs approximately two-thirds less than the traditional transformer design approach.

The first series, part numbers DMMT3904W and DMMT3906W, is packaged in the sub-compact six-pin SOT-363 package measuring only 2.0mm by 2.0mm in size.

The second series, part numbers DMMT847B and DMMT857B, is packaged in the SOT-143 package, and requires only 4-pin connections to the customer applications.

Both series match three critical transistor characteristics (DC Current Gain, Collector-Emitter Saturation Voltage and Base Emitter Saturation Voltage) to within a 2% tolerance, with typical matching tolerances of less than 1%.

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

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 three Far East subsidiaries, Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, Diodes-Taiwan (ISO-9000 certified) in Taipei, and Diodes-Hong Kong. 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. Diodes-Hong Kong covers sales warehouse and logistics functions. The Company's 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.

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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
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EXHIBIT 99.51

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Incorporated Introduces New Low-Capacitance Data Line Protection Device

Westlake Village, California, April 23, 2002 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, today announced the launch of a new low-capacitance data line protection device.

The ability to preserve data integrity makes the DLP05LC ideally suited for cable set-top boxes and high-speed data transmission lines where the absence of signal degradation is of primary importance. Other targeted end-equipment applications that will benefit from this product include hand-held wireless systems and portable electronics, including PDAs and laptop computers and other computer peripherals and digital interfaces such as USB and SCSI ports.

Available in the popular subminiature SOT-23 surface mount package, the DLP05LC offers transient protection of up to 300 Watts of Peak Pulse Power and features extremely low capacitance of 1.6pF, typical. The low capacitance of the device helps to minimize signal attenuation and data corruption during data transmission. The measurement of transient protection for data, signal and Vcc bus conforms to industry-standard IEC 61000-4-2, level 4 for ESD and IEC 61000-4-4 for EFT.

The new product line will occupy a unique position in the market place, as there are currently no exact equivalents available. Mark King, Vice President of Sales and Marketing at Diodes Incorporated, confirmed that there has been "a very positive response from our customer base and we have already received production orders. In addition, we are exploring the possibility of expanding the availability of the protection circuit to other surface mount packages."

"This is another example of the benefits realized from our ongoing commitment to research and development programs," continued King. "These efforts are enabling us to bring exciting and innovative products to market and increasing our ability to penetrate new industry sectors.

"By working in tandem with our customer base and responding to their direct needs, we are developing proprietary product lines that add significant value to our relationships while at the same time enhancing the breadth and quality of our product range."

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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Source: Diodes Incorporated
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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 99.52

Diodes Incorporated
FOR IMMEDIATE RELEASE

Diodes Announces Launch of Comprehensive Line of Pre-biased Transistors Major expansion of multi-chip product line for targeted, high-volume markets

Westlake Village, California - July 9, 2002 - Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, primarily to the communications, computing, industrial, consumer electronics and automotive markets, today announced the release of a comprehensive range of single and dual pre-biased transistors. The new devices are NPN and PNP small-signal bipolar transistors with the resistor bias circuitry integrated into the transistor chip.

Diodes' development efforts have been increasingly focused on subminiature arrays targeted for specific applications requiring valuable space savings. The new pre-biased transistors are ideal for a variety of battery-powered applications such as cellular phones, laptop computers, digital cameras, pagers and PDAs where space is at a premium. They are also used extensively in applications such as TFT displays, camcorders, video game consoles and set-top boxes.

"The launch of this all-encompassing series of single and dual pre-biased transistors is another important milestone for our company and significantly enhances our application-specific multi- chip array capabilities," said Mark King, VP of Sales and Marketing at Diodes Incorporated. "These pre-biased transistors are typically high volume items with a broad range of end market applications and they fill a gap in Diodes' product line. This is an important step in our product road map to become the first name that our customers think of for advanced, surface-mount discrete devices and arrays."

Integrating the transistor with the two bias resistors into one compact package offers significant advantages over the more traditional approach of using a bipolar transistor and two separate bias resistors, including reduced PCB real estate, improved logistics and increased reliability.

King continued, "We have essentially tripled the number of chips we are integrating in a single, sub-miniature package, enabling engineers to reduce part count, board space and placement cost."

The new pre-biased 100mA-rated NPN and PNP devices cover the full range of resistor value and ratio combinations and are being made available in four popular surface mount package styles - the SOT523, SOT323, SOT-23 and SC-59 - with 58 individual part numbers available in each of the four packages.

The dual versions are configured as dual NPN, dual PNP or dual complementary pairs and are available in the six pin SOT363 or six pin SOT-26/ SC-74R packages with 42 different part numbers. In addition, Diodes Incorporated has plans to introduce 500mA NPN and PNP pre-biased transistors and mixed NPN/PNP Power Management pre-biased transistors.

Data sheets for a full line of pre-biased transistors including NPN, PNP, complementary pairs and duals can be found at Diodes' website at http://www.diodes.com/products/

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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modems, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. Diodes-Hong Kong covers sales warehouse and logistics functions. The Company's 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.

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Source: Diodes Incorporated
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(818) 789-0100 e-mail: crocker.coulson@coffincg.com or Carl Wertz, Chief
Financial Officer, Diodes, Inc.; (805) 446-4800

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requests may be sent directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

EXHIBIT 99.53

CERTIFICATION PURSUANT TO 18 U.S.C. 1350 ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge, the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2002 of Diodes Incorporated (the "Company") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in such report.

Very truly yours,

/s/ C.H. Chen
C.H. Chen
Chief Executive Officer
Date: 8/13/02

/s/ Carl Wertz
Carl Wertz
Chief Financial Officer
Date: 8/13/02