



PSi TECHNOLOGIES AND TAK CHEONG ELECTRONICS ENTER INTO MEMORANDUM OF UNDERSTANDING TO ESTABLISH A CHINA-BASED ASSEMBLY AND TEST COMPANY

MANILA, PHILIPPINES and SOUTH SAN FRANCISCO, CALIFORNIA – September 15, 2003 - PSi Technologies (NASDAQ:PSIT), a leading independent provider of power semiconductor assembly and test services, and Tak Cheong Electronics (Holdings) Co. Ltd., a leading semiconductor manufacturer in China, today announced the signing of a non-binding Memorandum of Understanding (MOU) to establish a wholly foreign-owned enterprise based in China that will provide outsourced assembly and test services for power semiconductor devices. The Memorandum of Understanding establishes a framework for the Shareholders Contract to be negotiated by both parties in the upcoming months.

“The signing of this MOU with Tak Cheong Electronics is a key component of our strategy to seek synergistic partnering relationships through which we can support our customers’ rapidly-growing activities in China – a strategy based on profitably providing the lowest-cost outsourced assembly and test solutions for high volume power packages,” said Arthur J. Young, Jr., Chairman and CEO of PSi Technologies.

According to Young, “A partnership with Tak Cheong (TC) would bring value into the enterprise through TC’s experience in China, customer-focused culture and efficient manufacturing philosophy.”

About PSi Technologies Holdings, Inc.

PSi Technologies is an independent semiconductor assembly and test service provider focused on the power semiconductor market. The Company provides comprehensive package design, assembly and test services for power semiconductors used in telecommunications and networking systems, computers and computer peripherals, consumer electronics, electronic office equipment, automotive systems and industrial products. PSi’s customers include most of the major power semiconductor manufacturers in the world such as Fairchild Semiconductor, Infineon Technologies, ON Semiconductor, Philips Semiconductor, and ST Microelectronics.

For more information, visit the Company’s web site at www.psitechnologies.com or call:

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About Tak Cheong Electronics (Holdings) Co. Ltd.

Tak Cheong Electronics (Holdings) Co. Ltd. is a leading semiconductor manufacturer in China, that has focused on the \$1.7 billion diode segment of the power semiconductor industry, by producing glass seal diodes, mini-melf diode and rectifiers for automotive, consumer electronics, and communication systems. Its manufacturing facilities are located in Shanwei, Guangdong Province, approximately 2 hours via car from Hong Kong. Tak Cheong's customers include a roster of international companies such as Fairchild Semiconductor, ON Semiconductor and Philips Semiconductor.

For more information, visit the Company's web site at www.takcheong.com.

Safe Harbor Statement

This press release contains forward-looking statements that involve risks and uncertainties. Actual outcomes may differ materially. Factors that might cause a difference include, but are not limited to, those relating to the pace of development and market acceptance of PSi's, Tak Cheong's or the enterprise's products and the power semiconductor market generally, commercialization and technological delays or difficulties, the impact of competitive products and technologies, competitive pricing pressures, manufacturing risks, costs of product development, manufacturing and government regulation, risks inherent in emerging markets, including but not limited to, currency volatility and depreciation, restricted access to financing and political and social unrest, the possibility the enterprise might not be consummated and even in the event that the enterprise is consummated, that it may not produce the anticipated results. PSi undertakes no responsibility to update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect PSi's financial results is included in the documents PSi files from time to time with the Securities and Exchange Commission.

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