

PSI TECHNOLOGIES HOLDINGS, INC.
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A
(Amendment No. 9)

Under the Securities Exchange Act of 1934

PSi Technologies Holdings, Inc.

(Name of Issuer)

Common Shares, par value 1 2/3 Philippine Pesos per share

(Title of Class of Securities)

74438Q 10 9

(CUSIP Number)

c/o Merrill Lynch Global Emerging Markets Partners, L.P.
4 World Financial Center
North Tower
New York, NY 10080
Telephone: (212) 449-1000

With a copy to:
Frank J. Marinaro, Esq.
Merrill Lynch & Co., Inc.
4 World Financial Center
North Tower
New York, NY 10080
Telephone: (212) 449-1000

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

August 15, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(c), 13d-1(f) or 13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the Schedule, including all exhibits. See Section 240.13d-7(b) for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Note).

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Merrill Lynch Global Emerging Markets Partners, L.P.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS 00
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER Not Applicable
	8 SHARED VOTING POWER 26,574,374*
	9 SOLE DISPOSITIVE POWER Not Applicable
	10 SHARED DISPOSITIVE POWER 26,574,374*
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 26,574,374*
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> Not Applicable
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 86.4%*
14	TYPE OF REPORTING PERSON PN

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Merrill Lynch Global Capital, L.L.C.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS 00
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER Not Applicable
	8 SHARED VOTING POWER 26,574,374*
	9 SOLE DISPOSITIVE POWER Not Applicable
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11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 26,574,374*
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> Not Applicable
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 86.4%*
14	TYPE OF REPORTING PERSON 00

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Merrill Lynch Global Private Equity, Inc.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS 00
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER Not Applicable
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13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 86.4%*
14	TYPE OF REPORTING PERSON CO

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON ML IBK Positions, Inc.			
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3	SEC USE ONLY			
4	SOURCE OF FUNDS 00			
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable			
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware			
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH			7	SOLE VOTING POWER Not Applicable
			8	SHARED VOTING POWER 26,574,374*
			9	SOLE DISPOSITIVE POWER Not Applicable
			10	SHARED DISPOSITIVE POWER 26,574,374*
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12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> Not Applicable			
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 86.4%*			
14	TYPE OF REPORTING PERSON CO			

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Merrill Lynch Group, Inc.			
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3	SEC USE ONLY			
4	SOURCE OF FUNDS 00			
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable			
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware			
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH			7	SOLE VOTING POWER Not Applicable
			8	SHARED VOTING POWER 26,574,374*
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			10	SHARED DISPOSITIVE POWER 26,574,374*
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12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> Not Applicable			
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 86.4%*			
14	TYPE OF REPORTING PERSON HC, CO			

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Merrill Lynch & Co., Inc.			
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3	SEC USE ONLY			
4	SOURCE OF FUNDS 00			
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable			
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware			
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH			7	SOLE VOTING POWER Not Applicable
			8	SHARED VOTING POWER 26,574,374*
			9	SOLE DISPOSITIVE POWER Not Applicable
			10	SHARED DISPOSITIVE POWER 26,574,374*
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12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> Not Applicable			
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 86.4%*			
14	TYPE OF REPORTING PERSON HC, CO			

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Merrill Lynch Global Emerging Markets Partners, LLC
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS 00
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER Not Applicable
	8 SHARED VOTING POWER 17,477,009*
	9 SOLE DISPOSITIVE POWER Not Applicable
	10 SHARED DISPOSITIVE POWER 17,477,009*
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 17,477,009*
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> Not Applicable
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 56.8%*
14	TYPE OF REPORTING PERSON 00

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Merrill Lynch Global Emerging Markets Partners II, LLC			
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3	SEC USE ONLY			
4	SOURCE OF FUNDS 00			
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/> Not Applicable			
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware			
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH			7	SOLE VOTING POWER Not Applicable
			8	SHARED VOTING POWER 17,477,009*
			9	SOLE DISPOSITIVE POWER Not Applicable
			10	SHARED DISPOSITIVE POWER 17,477,009*
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 17,477,009*			
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> Not Applicable			
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 56.8%*			
14	TYPE OF REPORTING PERSON 00			

* Includes (i) 17,477,009 shares of common stock of the Issuer issuable pursuant to the terms of the \$7.0 million aggregate principal amount 10.00% Exchangeable Senior Subordinate Note, dated June 2, 2005, between PSi Technologies, Inc. and Merrill Lynch Global Emerging Markets Partners, LLC and the Note (as defined below) within 60 days of the date of this filing, representing 56.8% of the currently outstanding common stock of the Issuer and assuming the issuance of such 17,477,009 shares of common stock and (ii) 1,955,741 shares of common stock of the Issuer owned by Greathill Pte. Ltd and for which Greathill Pte. Ltd has granted Merrill Lynch Global Emerging Markets Partners, LLC a proxy with respect to certain matters and under certain circumstances as more fully described herein.

This Amendment No. 9 to Schedule 13D (this "Ninth Amendment") amends and supplements the Schedule 13D (the "Schedule 13D"), Amendment No. 1 to the Schedule 13D (the "First Amendment"), Amendment No. 2 to the Schedule 13D (the "Second Amendment"), Amendment No. 3 to the Schedule 13D (the "Third Amendment"), Amendment No. 4 to the Schedule 13D (the "Fourth Amendment"), Amendment No. 5 to the Schedule 13D (the "Fifth Amendment"), Amendment No. 6 to the Schedule 13D (the "Sixth Amendment"), Amendment No. 7 to the Schedule 13D (the "Seventh Amendment") and Amendment No. 8 to the Schedule 13D (the "Eighth Amendment") filed by the parties with the Securities and Exchange Commission (the "Commission") on June 7, 2001, June 16, 2003, July 11, 2003, June 3, 2005, January 5, 2007, July 3, 2007, January 4, 2008, May 30, 2008 and August 5, 2008, respectively. Except as specifically amended below, all other provisions of the Schedule 13D, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment and the Eighth Amendment remain in effect.

Item 2. Identity and Background.

The following paragraphs amend and supplement Item 2:

This Ninth Amendment is being filed jointly by the parties to the Schedule 13D, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment, the Seventh Amendment and the Eighth Amendment.

Appendix B is amended to include the following information with respect to the executive officers and directors of the parties jointly filing the Schedule 13D:

- (a) name;
- (b) business address (or residence where indicated);

(c) present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted; and

(d) citizenship.

Except as described below, during the last five years, none of the Reporting Persons, nor, to the knowledge of each of the Reporting Persons, any of the persons listed on Appendix A or Appendix B hereto (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree, or final order enjoining future violations of, or prohibiting or mandating activities subject to federal or state securities laws or finding any violation with respect to such laws.

In July 2007, the CFTC found that on certain occasions from 2001 to 2005 Merrill Lynch Alternative Investments (“MLAI”) violated CFTC Regulation 4.22(c) by failing to timely file commodity pool annual reports with the National Futures Association and to timely distribute such reports to pool participants. Without admitting or denying the allegations, MLAI agreed to a cease-and-desist order and paid a fine in the amount of \$500,000.

As part of a settlement relating to managing auctions for auction rate securities (“ARS”), the Commission accepted the offers of settlement of 15 broker-dealer firms, including Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”), and issued a settlement order on May 31, 2006. The Commission found, and MLPF&S neither admitted nor denied, that respondents (including MLPF&S) violated section 17(a)(2) of the Securities Act of 1933 by managing auctions for ARS in ways that were not adequately disclosed or that did not conform to disclosed procedures. MLPF&S consented to a cease and desist order, a censure, a civil money penalty, and compliance with certain undertakings.

On August 21, 2008, Merrill Lynch & Co., Inc. reached an agreement in principle with the New York attorney general, state securities regulators, and the staff of the U.S. Securities and Exchange Commission relating to ARS. Without admitting or denying wrongdoing, Merrill Lynch & Co., Inc. agreed to accelerate a previously announced offer to purchase ARS from retail clients, use best efforts to provide liquidity solutions for institutional holders of ARS, pay a civil money penalty, and compensate other eligible clients who purchased ARS and sold them at a loss.

On March 13, 2006, MLPF&S entered into a settlement with the Commission whereby the Commission alleged, and MLPF&S neither admitted nor denied, that MLPF&S failed to furnish promptly to representatives of the Commission electronic mail communications (“e-mails”) as required under Section 17(a) of the Exchange Act and Rule 17a-4(j) thereunder. The Commission also alleged, and MLPF&S neither admitted nor denied, that MLPF&S failed to retain certain e-mails related to its business as such in violation of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder. Pursuant to the terms of the settlement, MLPF&S consented to a cease and desist order, a censure, a civil money penalty of \$2,500,000,

and compliance with certain undertakings relating to the retention of e-mails and the prompt production of e-mails to the Commission.

In March 2005, Merrill Lynch & Co., Inc. and certain of its affiliates (Merrill Lynch & Co., Inc. and its affiliates collectively, "Merrill Lynch") reached agreements with the State of New Jersey and the New York Stock Exchange (the "NYSE") and reached an agreement in principle with the State of Connecticut pursuant to which Merrill Lynch, without admitting or denying the allegations, consented to a settlement that included findings that it failed to maintain certain books and records and to reasonably supervise a team of former financial analysts ("FAs") who facilitated improper market timing by a hedge fund client. Merrill Lynch terminated the FAs in October 2003, brought the matter to the attention of regulators, and cooperated fully in the regulators' review. The settlement will result in aggregate payments of \$13.5 million.

In March 2005, Merrill Lynch reached an agreement in principle with the NYSE pursuant to which Merrill Lynch, without admitting or denying the allegations, later consented to a settlement that included findings with regard to certain matters relating to the failure to deliver prospectuses for certain auction rate preferred shares and open-end mutual funds; the failure to deliver product descriptions with regard to certain exchange-traded funds; the failure to ensure that proper registration qualifications were obtained for certain personnel; issues with regard to the retention, retrieval and review of e-mails; isolated lapses in branch office supervision; late reporting of certain events such as customer complaints and arbitrations; the failure to report certain complaints in quarterly reports to the NYSE due to a systems error; and partial non-compliance with Continuing Education requirements. The settlement resulted in a payment of \$10 million to the NYSE.

On November 3, 2004, a jury in Houston, Texas convicted four former Merrill Lynch employees of criminal misconduct in connection with a Nigerian barge transaction that the government alleged helped Enron inflate its 1999 earnings by \$12 million. The jury also found that the transaction led to investor losses of \$13.7 million. Those convictions were reversed by a federal appellate court on August 1, 2006, except for one conviction against one employee based on perjury and obstruction of justice. The government has appealed the reversals. In 2003, Merrill Lynch agreed to pay \$80 million to settle Commission charges that it aided and abetted Enron's fraud by engaging in two improper year-end transactions in 1999, including the Nigerian barge transaction. The \$80 million paid in connection with the settlement with the Commission will be made available to settle investor claims. In September 2003, the United States Department of Justice agreed not to prosecute Merrill Lynch for crimes that may have been committed by its former employees related to certain transactions with Enron, subject to certain understandings, including Merrill Lynch's continued cooperation with the Department, its acceptance of responsibility for conduct of its former employees, and its agreement to adopt and implement new policies and procedures related to the integrity of client and counter-party financial statements, complex structured finance transactions and year-end transactions.

On or about June 27, 2003, the Attorney General for the State of West Virginia brought an action against the defendants that participated in the April 28, 2003, settlement described below. The action, filed in the West Virginia State Court, alleged that the defendants' research practices violated the West Virginia Consumer Credit and Protection Act. On

September 16, 2005, the Circuit Court of Marshall County, West Virginia, dismissed the case, following an earlier decision by the West Virginia Supreme Court holding that the West Virginia Attorney General lacked authority to bring the claims. On April 28, 2003, the Commission, NYSE, National Association of Securities Dealers, and state securities regulators announced that the settlements-in-principle that the regulators had disclosed on December 20, 2002, had been reduced to final settlements with regard to ten securities firms, including Merrill Lynch. On October 31, 2003, the United States District Court for the Southern District of New York entered final judgments in connection with the April 28, 2003 research settlements. The final settlements pertaining to Merrill Lynch, which involved both monetary and non-monetary relief, brought to a conclusion the regulatory actions against Merrill Lynch related to its research practices. Merrill Lynch entered into these settlements without admitting or denying the allegations and findings by the regulators, and the settlements did not establish wrongdoing or liability for purposes of any other proceedings.

For further information, reference is made to the Form ADV of Merrill Lynch on file with, and publicly available on the website of, the Commission.

Item 4. Purpose of Transaction

The following paragraphs amend and supplement Item 4:

On July 3, 2003, PSi Technologies, Inc. ("PSi Technologies") issued to Merrill Lynch Global Emerging Markets Partners, LLC ("MLGEMP LLC") a \$4.0 million aggregate principal amount 10% Senior Subordinated Note (the "Note"). On August 15, 2008, MLGEMP LLC and PSi Technologies entered into the Third Amendment to Exchangeable Senior Subordinate Note (the "Third Amended Note") pursuant to which the maturity date of the Note was changed from August 15, 2008 to June 1, 2009, among other things.

On August 15, 2008, MLGEMP LLC, PSi Technologies Holdings, Inc. (the "Issuer") and PSi Technologies entered into an Amended and Restated Exchange Agreement (the "Amended Exchange Agreement") which amended and restated the Exchange Agreement, dated July 3, 2003, among MLGEMP LLC, the Issuer and PSi Technologies. Under the Amended Exchange Agreement, the Issuer granted MLGEMP LLC an irrevocable right to exchange all or part of the Note for shares of common stock of the Issuer (the "Exchange Right") at a per share price of \$0.2682 (the "Note Exercise Price"). MLGEMP LLC may also, in its sole discretion, elect to replace all of its Exchange Rights with the right (the "Mandatory Issuance Right") to assign a portion or all of the Notes to the Issuer and subscribe for shares of common stock (the "Mandatory Issuance") at a price per share equal to the then par value of one share of common stock of the Issuer. If MLGEMP LLC exercises its Mandatory Issuance Rights, the number of shares of common stock of the Issuer to be issued to MLGEMP LLC shall be determined by dividing the aggregate principal amount of the Note then outstanding by the Note Exercise Price then in effect. The Note Exercise Price is also subject to anti-dilution adjustments as stated in the Amended Exchange Agreement, which take effect if the Issuer issues or sells common stock or Common Stock Equivalent (as defined in the Amended Exchange Agreement) without consideration or at a price per share less than their current market price while an Exchange Right or Mandatory Issuance Right is outstanding. Under the Amended Exchange Agreement, the Issuer will, at all times, reserve and keep available out of its authorized but unissued shares of

common stock for the purpose of issuance upon exchange of the Notes or pursuant to a Mandatory Issuance, the lesser of (a) such number of shares of common stock as are issuable upon the exchange of all the then outstanding Notes and pursuant to a Mandatory Issuance and (b) all of its then authorized but unissued shares of common stock. Because the Issuer does not currently have a sufficient amount of authorized but unissued shares of common stock to exchange the Notes, the Amended Exchange Agreement and the Exchange Agreement, dated as of June 2, 2005, among the Issuer, PSi Technologies and MLGEMP LLC (the "2005 Exchange Agreement"), the Issuer has agreed that at any time and from time to time, MLGEMP LLC may request that Issuer use its reasonable best efforts to increase the number of its authorized but unissued shares of common stock to a number of shares of common stock that is not greater than the number of shares of common stock that would be issuable (A) upon the exchange of all then outstanding Notes or pursuant to a Mandatory Issuance, in each case pursuant to the Amended Exchange Agreement, and (B) pursuant to the 2005 Exchange Agreement. Following receipt of such request, the Issuer will use its reasonable best efforts to take all action necessary to increase its authorized but unissued shares of common stock accordingly as promptly as practicable thereafter and shall keep MLGEMP LLC reasonably informed with respect thereto.

On August 15, 2008, Merrill Lynch Global Emerging Markets Partners, L.P., ("MLGEMP LP"), MLGEMP LLC and Greathill Pte. Ltd ("GPL"), a wholly owned subsidiary of Primasia and Bridge No.1 Greater China Secondary Fund, L.P., and managed by Primasia Private Equity Management Limited, entered into a Consent and Agreement (the "Consent and Agreement"), pursuant to which GPL waived its consent rights under that certain Shareholders Agreement, among MLGEMP LP, GPL and other shareholders, dated May 29, 2001 (the "Shareholders Agreement"), with respect to the transactions contemplated by the Amended Exchange Agreement. GPL beneficially own 1,955,741 shares of the Issuer ("GPL Shares"), pursuant to which GPL, with respect to the GPL Shares, grants to MLGEMP LLC an irrevocable proxy to vote the GPL Shares with respect to certain matters at any meeting of the shareholders of the Issuer.

On August 15, 2008, the Issuer, PSi Technologies and MLGEMP LLC, entered into a Waiver Agreement (the "Waiver Agreement"), pursuant to which MLGEMP LLC waives an event of default ("Event of Default") that may arise as of the date thereof as a result of the Issuers' failure to comply with Sections 4(a)(ii), Section 4(a)(iii) and Section 6(a) of the 2005 Exchange Agreement, upon entering into or performance of the Amended Exchange Agreement, but only to the extent such Event of Default relates to a deficiency in the number of shares of authorized but unissued common stock of the Issuer.

Except as set forth above, as of the date hereof, none of the reporting persons, or to the knowledge or belief of the reporting persons, any of the individuals listed in Appendix B, has any present plan or intention which relates to or would result in any of the actions set forth in parts (a) through (j) of Item 4 of Schedule 13D.

MLGEMP LLC from time to time intends to review its investment in the Issuer on the basis of various factors, including the Issuer's business, financial condition, results of operations and prospects, general economic and industry conditions, the securities markets in general and those for the Issuer's securities in particular, as well as other developments and other investment opportunities. Based upon such review, and subject to the restrictions set forth in agreements it has entered into with PSi Technologies and the Issuer, MLGEMP LLC will take

such actions in the future as MLGEMP LLC may deem appropriate in light of the circumstances existing from time to time.

The descriptions of the Third Amended Note, the Amended Exchange Agreement, the Consent and Agreement and the Waiver Agreement contained in this Ninth Amendment do not purport to be complete and are qualified by the complete text of the agreements filed as Exhibits to this Ninth Amendment.

Item 5. Interest in Securities of the Issuer.

The following paragraphs amend and supplement Item 5:

PSi Technologies issued the Note to MLGEMP LLC on July 3, 2003. Pursuant to the terms of the Note, the Issuer may elect to pay any of the accrued interest by adding it to the principal amount of the Note, as the Issuer has done on each June 30 and December 31 since June 30, 2005. On August 15, 2008, MLGEMP LLC and PSi Technologies entered into the Third Amendment to Exchangeable Senior Subordinated Note pursuant to which the maturity date of the Note was changed from August 15, 2008 to June 1, 2009. As of June 30, 2008, the interest accrued since December 31, 2007 was added to the principal amount of the Note and, on June 1, 2009, the maturity date of the Note, the interest accrued since June 30, 2008 will be added to the principal amount of the Note. At such time, the aggregate principal amount of the Note and the interest accrued thereon will be approximately \$6,111,772. As of June 1, 2009, the Note will be exchangeable for approximately 21,827,757 shares of common stock of the Issuer.

MLGEMP LLC and GPL entered into the Consent and Agreement pursuant to which GPL waived its consent rights under the Shareholders Agreement, with respect to the transactions contemplated by the Amended Exchange Agreement and GPL granted to MLGEMP LLC an irrevocable proxy to vote the GPL Shares with respect to certain matters at any meeting of the shareholders of the Issuer. As a result of such agreement, MLGEMP LLC and the other parties to the Schedule 13D, as amended, may be deemed to be members of a group and therefore, deemed to share the power to vote the GPL Shares. MLGEMP LLC and each other person filing this Schedule 13D, as amended, disclaim beneficial ownership of the GPL shares.

Item 7. Materials to be Filed as Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Third Amendment to Exchangeable Senior Subordinated Note, dated August 15, 2008, by and among Merrill Lynch Global Emerging Markets Partners, LLC and PSi Technologies, Inc.
99.2	Amended and Restated Exchange Agreement, dated August 15, 2008, by and among PSi Technologies Holdings, Inc., PSi Technologies, Inc. and Merrill Lynch Global Emerging Markets Partners, LLC.
99.3	Consent and Agreement, dated August 15, 2008, by and among Merrill Lynch Global Emerging Markets Partners, L.P., Merrill Lynch Global Emerging Markets Partners, LLC and Greathill Pte. Ltd.
99.4	Waiver Agreement, dated August 15, 2008, by and among PSi Technologies, Inc., PSi Technologies Holdings, Inc. and Merrill Lynch Global Emerging Markets Partners, LLC.
99.5	Joint Filing Agreement dated as of August 26, 2008, among Merrill Lynch Global Emerging Markets Partners, LLC; Merrill

Lynch Global Emerging Markets Partners II, LLC; Merrill Lynch Global Emerging Markets Partners, L.P.; Merrill Lynch & Co., Inc.; Merrill Lynch Group, Inc.; ML IBK Positions, Inc.; Merrill Lynch Global Private Equity, Inc. and Merrill Lynch Global Capital, L.L.C.

99.6

Power of Attorney by and on behalf of Merrill Lynch Group, Inc.

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this Amendment is true, complete and correct.

Date: August 26, 2008

MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS, LLC

By: Merrill Lynch Global Emerging
Partners, L.P.,
as its Managing Member

By: Merrill Lynch Global Capital L.L.C.,
as its General Partner

By: Merrill Lynch Global Private Equity,
Inc.,
as its Managing Member

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS II, LLC

By: Merrill Lynch Global Emerging
Partners, L.P.,
as its Managing Member

By: Merrill Lynch Global Capital L.L.C.,
as its General Partner

By: Merrill Lynch Global Private Equity,
Inc.,
as its Managing Member

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH & CO., INC.

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Assistant Secretary

MERRILL LYNCH GROUP, INC.

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Authorized Person*

ML IBK POSITIONS, INC.

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL PRIVATE
EQUITY, INC.

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL CAPITAL,
L.L.C.

By: Merrill Lynch Global Private Equity,
Inc.
Its Managing Member

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS,
L.P.

By: Merrill Lynch Global Capital, L.L.C.
Its General Partner

By: Merrill Lynch Global Private Equity,
Inc.
Its Managing Member

By: /s/ Douglas P. Madden

Name: Douglas P. Madden

Title: Assistant Secretary

* See the Power of Attorney attached hereto as Exhibit 99.6.

APPENDIX A

CORPORATIONS, LIMITED PARTNERSHIP
AND LIMITED LIABILITY COMPANIES

The names and principal businesses of the reporting persons are set forth below. Unless otherwise noted, the reporting persons have as the address of their principal business and office 4 World Financial Center, North Tower, New York, NY 10080.

NAME	PRINCIPAL BUSINESS
Merrill Lynch Global Emerging Markets Partners, L.P.	Investment partnership.
Merrill Lynch Global Capital, L.L.C.	Acts as general partner for an investment partnership.
Merrill Lynch Global Private Equity, Inc.	Acts as a manager of the affairs of the general partner in investment partnerships.
ML IBK Positions, Inc.	Holds proprietary investments for Merrill Lynch & Co., Inc.
Merrill Lynch Group, Inc.	Holding company.
Merrill Lynch & Co., Inc.	A holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance and related services on a global basis.
Merrill Lynch Global Emerging Markets Partners, LLC	Investment Entity
Merrill Lynch Global Emerging Markets Partners II, LLC	Investment Entity

APPENDIX B

EXECUTIVE OFFICERS AND DIRECTORS

The names and principal occupations of each of the executive officers and directors of Merrill Lynch Global Private Equity, Inc., ML IBK Positions, Inc., Merrill Lynch Group, Inc. and Merrill Lynch & Co., Inc. are set forth below. Unless otherwise noted, all of these persons are United States citizens, and have as their business address 4 World Financial Center, New York, NY 10080.

MERRILL LYNCH GLOBAL EMERGING MARKETS PARTNERS, LLC

Merrill Lynch Global Emerging Markets Partners, L.P. is the managing member of Merrill Lynch Global Emerging Markets Partners, LLC. See Appendix A and the information set forth below with respect to Merrill Lynch Global Emerging Markets Partners, L.P.

MERRILL LYNCH GLOBAL EMERGING MARKETS PARTNERS II, LLC

Merrill Lynch Global Emerging Markets Partners, L.P. is the managing member of Merrill Lynch Global Emerging Markets Partners II, LLC. See Appendix A and the information set forth below with respect to Merrill Lynch Global Emerging Markets Partners, L.P.

MERRILL LYNCH GLOBAL EMERGING MARKETS PARTNERS, L.P.

Merrill Lynch Global Capital, L.L.C. is the general partner of Merrill Lynch Global Emerging Markets Partners, L.P. See Appendix A and the information set forth below with respect to Merrill Lynch Global Capital, L.L.C.

MERRILL LYNCH GLOBAL CAPITAL, L.L.C.

Merrill Lynch Global Private Equity, Inc. is the managing member of Merrill Lynch Global Capital, L.L.C. See Appendix A and the information set forth below with respect to Merrill Lynch Global Private Equity, Inc.

MERRILL LYNCH GLOBAL PRIVATE EQUITY, INC.

EXECUTIVE OFFICERS AND DIRECTORS

PRESENT PRINCIPAL OCCUPATION

Nathan C. Thorne
Director, President

President, Global Private Equity

George A. Bitar
Director, Managing Director

Managing Director, Global Private Equity

Guido Padovano
Director, Managing Director Citizenship: Italy

Managing Director, Global Private Equity

Mandakini Puri
Director, Managing Director

Senior Vice President, Global Private Equity

Brian A. Renaud
Director, Managing Director

Managing Director, Global Private Equity

ML IBK POSITIONS, INC.

EXECUTIVE OFFICERS AND DIRECTORS

PRESENT PRINCIPAL OCCUPATION

Gary M. Carlin
President

Managing Director, Corporate Finance

Nathan C. Thorne
Director, Vice President

President, Global Private Equity

George A. Bitar
Director, Vice President

Managing Director, Global Private Equity

John D. Fallon
Director

Director, Global Asset Backed Finance

Martin J. McInerney
Director, Vice President

Director, Global Principal Investments

Mandakini Puri
Director, Vice President

Senior Vice President, Global Private Equity

Steven M. Glassman
Director, Vice President

Managing Director, Global High Yield and Real Estate Finance

MERRILL LYNCH GROUP, INC.

EXECUTIVE OFFICERS AND DIRECTORS

PRESENT PRINCIPAL OCCUPATION

Richard B. Alsop
Director and Vice President

Senior Vice President, Corporate Law

Marlene B. Debel
Director

Managing Director, Global Treasury

D. Kevin Dolan
Director, Chairman of the Board

Senior Vice President, Corporate Tax

Gary M. Carlin
Director, President

Managing Director, Global Finance

EXECUTIVE OFFICERS AND DIRECTORS

PRESENT PRINCIPAL OCCUPATION

Rosemary T. Berkery
Executive Officer

Executive Vice President; Vice Chairman; General Counsel

Carol T. Christ
Director

President, Smith College
c/o Corporate Secretary's Office
222 Broadway, 17th Floor
New York, NY 10038

Armando M. Codina
Director

President and Chief Executive Officer of Flagler Development Group
c/o Corporate Secretary's Office
222 Broadway, 17th Floor
New York, NY 10038

Virgis W. Colbert
Director

Corporate Director
c/o Corporate Secretary's Office
222 Broadway, 17th Floor
New York, NY 10038

Alberto Cribiore
Director

Managing Principal, Brera Capital Partners
c/o Corporate Secretary's Office
222 Broadway, 17th Floor
New York, NY 10038

Nelson Chai
Executive Officer

Executive Vice President, Chief Financial Officer

John D. Finnegan
Director

Chairman of the Board, President and Chief Executive Officer of The Chubb Corporation
c/o Corporate Secretary's Office
222 Broadway, 17th Floor
New York, NY 10038

Gregory J. Fleming
Executive Officer

President; Chief Operating Officer

Judith Mayhew Jonas
Director
Citizenship: United Kingdom

Corporate Director
c/o Corporate Secretary's Office
222 Broadway, 17th Floor
New York, NY 10038

Robert J. McCann Executive Officer	Executive Vice President; President, Vice Chairman, Global Wealth Management
Thomas Montag Executive Officer	Executive Vice President, Head of Global Sales and Trading
Aulana L. Peters Director	Corporate Director c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038
Joseph W. Prueher Director	Corporate Director, Consulting Professor to the Stanford-Harvard Preventive Defense Project c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038
Ann N. Reese Director	Co-Founder and Co-Executive Director of the Center for Adoption Policy c/o Corporate Secretary's Office 222 Broadway, 17th Floor New York, NY 10038
Charles O. Rossotti Director	Senior Advisor to The Carlyle Group c/o Corporate Secretary's Office 222 Broadway, 17th Fl. New York, NY 10038
Thomas Sanzone Executive Officer	Executive Vice President, Chief Administrative Officer
John A. Thain Director and Executive Officer	Chairman of the Board and Chief Executive Officer

**THIRD AMENDMENT TO
EXCHANGEABLE SENIOR SUBORDINATED NOTE**

This **THIRD AMENDMENT TO EXCHANGEABLE SENIOR SUBORDINATED NOTE** (this "*Amendment*") is made and entered into as of August 15, 2008, by and among Psi Technologies, Inc., a corporation organized and existing under the laws of the Philippines (the "*Company*"), and Merrill Lynch Global Emerging Markets Partners, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the "*Holder*").

WITNESSETH:

A. Reference is made to that certain USD\$4,000,000 10.00% Exchangeable Senior Subordinated Note dated as of July 3, 2003, executed by the Company in favor of the Holder, as amended by the First Amendment to Exchangeable Senior Subordinated Note dated as of May 30, 2008 and the Second Amendment to Exchangeable Senior Subordinated Note dated as of July 31, 2008 (as the same may be further amended, restated, modified, or supplemented from time to time, the "*Note*");

B. The Company and the Holder desire to amend the Note to (i) increase the principal amount of the Note, (ii) extend the Maturity Date to June 1, 2009 and (iii) make the other amendments set forth herein; and

C. The parties to the Note desire to amend the Note by this Amendment to reflect such agreements, modifications and amendments.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. **Defined Terms.** Unless otherwise specifically defined herein, each term used herein that is defined in the Note shall have the meaning assigned to such term in the Note.
 2. **Amendment.** Subject to Section 3 hereof, the following amendments shall be made to the Note:
 - a. **Principal Amount.** For all purposes of the Note, the aggregate principal amount of the Note shall be amended to be "US\$5,656,714.00."
 - b. **Maturity Date.** The phrase "August 15, 2008" as the definition of "Maturity Date" in the initial paragraph of the Note is amended and restated to read "June 1, 2009."
 - c. **Exchange Agreement.** The defined term "Exchange Agreement" shall be amended to mean "the Amended and Restated Exchange Agreement, dated as of
-

August 15, 2008, by and among the Company, Holdings and the Holder, as amended, restated, supplemented or otherwise modified pursuant to the terms thereof from time to time.”

- d. **Nasdaq.** The defined term “Nasdaq” shall be amended to mean “the Nasdaq Capital Market.”
- e. **Senior Credit Facility.** The defined term “Senior Credit Facility” shall be amended to mean “(a) the \$10 million Revolving Facility Agreement among the Company and PSi Technologies Laguna, Inc., as Borrowers, and Raiffeisen Zentralbank Oesterreich AG (“**RZB-Austria**”), Singapore Branch, as Bank, dated September 24, 2003, including any extensions, renewals or refinancings thereof on the same terms that currently exist; (b) the revolving facility for a promissory note of \$3 million including the availability of a letter of credit up to \$1.5 million between the Company and Philippine Veterans Bank (“**PVB**”), dated July 13, 2006, including any extensions, renewals or refinancings thereof on the same terms and for the same amount that currently exist and the expected guarantee by the Philippine Export Import Credit Agency (“**PhilEXIM**”) of the facility; and (c) the proposed additional credit facility between the Company, PSi Technologies Laguna, Inc., PVB and Bank of Commerce guaranteed by PhilEXIM in the principal amount of not more than \$15 million.”
- f. **Section 2.05(a).** Section 2.05(a) shall be amended to read as follows: “In the event that, at any time after August 15, 2008, for a 30-consecutive trading day period the ADSs trading on Nasdaq, or any other trading facility on which the ADSs are listed, (i) shall have traded at an average closing price of at least \$0.70 per ADS and (ii) the daily average trading volume of the ADSs shall have been equal to at least 33.33% of the number of shares of Common Stock issuable pursuant to the Exchange Agreement, the Company may at its option send written notice (the “**Redemption Notice**”) to the Holders indicating that the Company desires to redeem all but not less than all of the outstanding Notes, specifying the date of such redemption, which shall be not earlier than 30 days after the date of the Redemption Notice (the “**Redemption Date**”), the redemption price, which shall be equal to the aggregate principal amount outstanding on the Note plus all accrued and unpaid interest thereon (the “**Redemption Price**”), and the fulfillment of clauses (i) and (ii) above.”
- g. **Section 4.01(c)(i).** Section 4.01(c)(i) shall be amended to read as follows: “The Company or any of its Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; provided, however, that all long-term non-interest bearing payables owed by the Company and its Subsidiaries to equipment suppliers shall not be deemed due pursuant to this subsection (c)(i) until the receipt by the Company or any of its Subsidiaries of a letter from an equipment supplier notifying the Company or its Subsidiary of its intention to commence legal proceedings with respect to such nonpayment of

Indebtedness or payables, as applicable, except that if such nonpayment to an equipment supplier is only the result of a dispute between the Company and such equipment supplier regarding the quality of equipment for which such supplier has not received payment, such nonpayment shall not constitute a default hereunder until a court of competent jurisdiction shall have determined such payment is legally owed by the Company to such equipment supplier; provided, further that the disputed electrical bills related to the underbilling by Meralco Electric Company shall not constitute a default hereunder until a court of competent jurisdiction shall have determined such electrical bills are legally owed by the Company to Meralco Electrical Company, and either such determination is not appealable by the Company or the Company does not appeal such determination;”

h. **Section 5.01.** Section 5.01 shall be amended to read as follows: “The Company agrees, and each Holder, by his acceptance of this Note, also agrees, that this Note is and shall be subordinate, to the extent and in the manner hereinafter set forth, to the prior payment in full of all obligations of the Company now or hereafter existing under the Senior Credit Facility and any other Indebtedness of the Company that is permitted to be incurred pursuant to Section 3.02(e) and the terms of which expressly provide it is senior in right of payment to the Notes, whether for principal, interest (including, without limitation, interest, as provided in such Indebtedness, accruing after the filing of a petition initiating any proceeding referred to in Section 5.02, whether or not such interest accrues after the filing of such petition for purposes of the Bankruptcy Code or is an allowed claim in such proceeding), fees, expenses or otherwise (all such obligations being the “**Senior Indebtedness**”).

3. **Effectiveness.** It shall be a condition precedent to the effectiveness of this Amendment that each of the following conditions are satisfied:

- a. **Amendment.** The Holder’s receipt of this Amendment, duly executed by the Company.
- b. **No Event of Default.** No Event of Default shall have occurred and be continuing or shall result from this Amendment.

4. **Representations and Warranties.** The Company hereby represents and warrants to the Holder as follows:

- a. **Due Authorization and Enforceability.** It has the authority to execute this Amendment, and this Amendment has been duly authorized, executed and delivered by it, and this Amendment constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.
- b. **No Event of Default.** On and as of the date hereof, no Event of Default exists.

5. **Miscellaneous.**

- a. **No Other Amendments.** Except as provided in Section 2 above, nothing contained in this Amendment shall amend or otherwise modify the terms of the Note, which shall remain in full force and effect.
- b. **Limitation on Agreements.** The amendments set forth herein are limited precisely as written and shall not be deemed: (i) to be a consent under or waiver of any other term or condition in any other agreement between the Company and the Holder; or (ii) to prejudice any right or rights which the Company or the Holder now has or may have in the future under, or in connection with the Note, as amended hereby, or any of the other agreements referred to herein or therein. From and after the date hereof, all references in any other agreement between the Company and the Holder to the Note shall be deemed to be references to the Note after giving effect to this Amendment, and each reference to “hereof,” “hereunder,” “herein” or “hereby” and each other similar reference and each reference to “this Note” and each other similar reference contained in the Note shall from and after the date hereof refer to the Note as amended hereby.
- c. **Ratification.** The Company hereby ratifies, confirms and agrees that, following the effectiveness of this Amendment, the Note or any of the other documents or actions referred to herein or therein shall continue to be binding against each party and remain in full force and effect.
- d. **Headings.** The Section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- e. **Counterparts.** This Amendment may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one document. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.
- f. **GOVERNING LAW; JURISDICTION.** THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. IN ANY ACTION OR PROCEEDING ARISING OUT OF, RELATED TO, OR IN CONNECTION WITH THIS AMENDMENT, THE PARTIES HERETO CONSENT TO BE SUBJECT TO THE JURISDICTION AND VENUE OF (A) THE SUPREME COURT OF THE STATE OF NEW YORK IN AND FOR THE COUNTY OF NEW YORK, AND (B) THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK. THE PARTIES HERETO CONSENT TO SERVICE OF PROCESS IN ANY ACTION COMMENCED HEREUNDER BY ANY METHOD OR SERVICE ACCEPTABLE UNDER FEDERAL LAW OR THE LAWS OF THE STATE OF NEW YORK.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

**COMPANY:
PSI TECHNOLOGIES, INC.**

By: /s/

Name: Arthur J. Young, Jr.
Title: Chairman of the Board and Chief
Executive Officer

HOLDER:

**MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS, LLC**

By: Merrill Lynch Global Emerging Markets Partners, L.P., as its Managing Member

By: Merrill Lynch Global Capital, L.L.C., as its General Partner

By: Merrill Lynch Global Private Equity, Inc., as its Managing Partner

By: /s/

Name:
Title:

Third Amendment Signature Page

AMENDED AND RESTATED EXCHANGE AGREEMENT

This AMENDED AND RESTATED EXCHANGE AGREEMENT (this "Agreement"), dated as of August 15, 2008, is among PSi Technologies Holdings, Inc., a corporation organized and existing under the laws of the Philippines ("Holdings"), PSi Technologies, Inc., a corporation organized and existing under the laws of the Philippines and the principal operating subsidiary of Holdings (the "Company"), and Merrill Lynch Global Emerging Markets Partners, LLC ("Purchaser").

WHEREAS, any benefit to the Company is deemed a benefit to Holdings, and in consideration for the Invested Principal Amount (as defined below) paid to the Company, Purchaser received 10.00% Exchangeable Senior Subordinated Notes Due 2009 of the Company (as amended, the "Notes"), pursuant to the Purchase Agreement, dated as of July 3, 2003 (the "Purchase Agreement"), among Holdings, the Company and Purchaser;

WHEREAS, the parties have agreed that the Notes owned by Purchaser are to be exchangeable into Common Stock (as defined below) at any time and from time to time; and

WHEREAS, the parties entered into an initial exchange agreement, dated as of July 3, 2003, relating to the Notes owned by the Purchaser, which the parties now desire to hereby amend and restate in its entirety.

NOW THEREFORE, in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, it is agreed by the parties as follows:

1. Definitions

(a) Unless otherwise defined herein, the terms below shall have the following meanings (such meanings being equally applicable to singular and plural forms of the terms defined):

"ADSs" means the American Depositary Shares of Holdings, each ADS representing one share of Common Stock.

"Affiliate" shall mean, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person.

"Aggregate Converted Principal" means, at a specified date, the sum of all the Conversion Principal Amounts in respect of which Holdings issued shares of Common Stock to Purchaser from the date hereof to such specified date.

"Board" means the board of directors of Holdings.

“BSP” means the *Bangko Sentral ng Pilipinas* or the central monetary authority of the Philippines or any Governmental Authority of the Philippines that assumes the functions thereof.

“BSRD” means the Bangko Sentral Registration Document issued by the BSP, which allows the holder to source foreign exchange from the Philippine banking system.

“Business Day” means any day other than a Saturday, Sunday or any other day that is a legal holiday under the laws of the State of New York or Taguig, Philippines or a day on which national banking associations in New York or Taguig, Philippines are authorized or required by law or other governmental action to close.

“Common Stock” means the common stock, par value PHP 1 2/3 per share of Holdings.

“Controls” means (including the terms “Controlled by” and “under common Control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

“Conversion Principal Amount” means, at a specified date, (a) an amount set forth in an Exchange Notice that represents the portion of the Current Invested Principal Amount of the Notes that Purchaser is requesting to be converted into Common Stock pursuant to such Exchange Notice or (b) an amount set forth in a Mandatory Issuance Notice that represents the portion of the Current Invested Principal Amount of the Notes that the Purchaser is requesting to be used to calculate the number of shares of Common Stock to be issued in the Mandatory Issuance relating to such Mandatory Issuance Notice.

“Current Invested Principal Amount” means, at a specified date, an amount equal to the Invested Principal Amount less the Aggregate Converted Principal, in each case, from the date hereof to such specified date.

“Current Market Price” means in respect of any share of Common Stock on any date herein specified the average of the daily market prices of the Common Stock or ADSs for five consecutive trading days commencing ten trading days before the public announcement of any sale or other issuance of Common Stock or Common Stock Equivalents. The daily market price for each such trading day shall be the last reported sale price on such day on the Nasdaq National Market (the “Nasdaq”) or, if the Common Stock or ADSs are not so listed or admitted, the last reported sale price on such day on the Nasdaq or any other trading facility on which such Common Stock or ADSs are then listed; provided, however, that if no sale takes place on such day on any such exchange, market or trading facility, the average of the last reported closing bid and ask prices on such day as officially quoted on such exchange, market or trading facility shall be the

daily market price for such trading day. If the Common Stock or ADSs are not listed on Nasdaq or any other trading facility at the time of such calculation, the Current Market Price of one share of Common Stock shall be determined by the Board in good faith.

“Encumbrance” means any lien, mortgage, pledge, collateral assignment, security interest, hypothecation or other encumbrance, other than as established by, under or in connection with, the terms of this Agreement, the Notes or the Purchase Agreement, and the Subscription Agreement and the Note Assignment, if applicable, or the transactions contemplated thereby.

“Governmental Agency” means any supranational, multinational, municipal, provincial, federal, state, local, foreign or other governmental agency, instrumentality, commission, authority, board or body.

“Holder” shall mean Purchaser and any transferee of Purchaser.

“Invested Principal Amount” means USD\$5,656,714, plus any accreted interest added to the Invested Principal Amount pursuant to Section 2.01 of the Notes.

“Law” means all laws, statutes and ordinances of the United States, any state of the United States, any foreign country, any foreign state and any political subdivision thereof, including all decisions, orders, judgments or decrees of courts having the effect of law in each such jurisdiction.

“Person” shall mean any individual, corporation, partnership, joint venture, firm, trust, unincorporated organization, government or any agency or political subdivision thereof or other entity.

“Philippine SEC” means the Securities and Exchange Commission of the Philippines.

“PHP” shall mean the lawful currency of the Philippines.

“Regulation” means any rule or regulation of any Governmental Agency having the effect of Law or any rule or regulation of any self-regulatory organization.

“Securities Act” means the Securities Act of 1933 of the United States, as amended.

(b) The following terms have the meanings set forth in the section set forth opposite such term:

“ <u>2005 Note</u> ”	6(a)(iii)
“ <u>Agreement</u> ”	Preamble
“ <u>Closing</u> ”	3(e)
“ <u>Closing Date</u> ”	2(e)
“ <u>Common Stock Equivalents</u> ”	5(b)
“ <u>Company</u> ”	Preamble

“ <u>Contributed Amount</u> ”	6(a)(iii)
“ <u>Exchange Closing</u> ”	2(e)
“ <u>Exchange Notice</u> ”	2(c)
“ <u>Exchange Right</u> ”	2(a)
“ <u>Exchange Shares</u> ”	2(i)
“ <u>Exchange Shares Subscription Agreement</u> ”	2(c)
“ <u>Exchange Subsequent Closing</u> ”	2(c)
“ <u>Extraordinary Common Stock Event</u> ”	5(e)
“ <u>Holdings</u> ”	Preamble
“ <u>Issuance Purchase Price</u> ”	3(a)
“ <u>Mandatory Issuance</u> ”	3(a)
“ <u>Mandatory Issuance Closing</u> ”	3(e)
“ <u>Mandatory Issuance Closing Date</u> ”	3(e)
“ <u>Mandatory Issuance Notice</u> ”	3(b)
“ <u>Mandatory Issuance Rights</u> ”	3(a)
“ <u>Mandatory Issuance Shares</u> ”	3(f)(i)
“ <u>Mandatory Issuance Shares Subscription Agreement</u> ”	3(c)(ii)
“ <u>Mandatory Issuance Subsequent Closing</u> ”	3(d)
“ <u>Net Consideration Per Share</u> ”	5(c)
“ <u>Note Assignment</u> ”	2(c)
“ <u>Note Exercise Price</u> ”	2(a)
“ <u>Notes</u> ”	Recitals
“ <u>Notes BSRD</u> ”	6(e)(i)
“ <u>Purchase Agreement</u> ”	Recitals
“ <u>Purchaser</u> ”	Preamble
“ <u>Redemption Payment</u> ”	3(c)
“ <u>Shares BSRD</u> ”	6(e)(ii)
“ <u>Subsequent Closing</u> ”	3(d)

2. Exchange of Notes for Common Stock

(a) Grant of Exchange Right. Subject to the terms and conditions set forth herein, Holdings hereby grants Purchaser an irrevocable right to exchange all or part of its Notes for Common Stock (an “Exchange Right”) at a price per share of Common Stock equal to \$0.2682 (the “Note Exercise Price”).

The Note Exercise Price is subject to adjustment as set forth in Section 5.

(b) Exercise Period of Exchange Right. At any time after the date hereof and from time to time, the Exchange Right may be exercised by Purchaser in its sole discretion, in whole or in part until such time as all of the Notes are exchanged for Common Stock, paid at maturity or redeemed in accordance with their terms.

(c) Exercise of Exchange Right. The Exchange Right shall be exercised by written notice from Purchaser to Holdings (an “Exchange Notice”) stating that Purchaser desires to exercise an Exchange Right and setting forth: (i) the proposed closing date, which (subject to the earlier satisfaction or waiver of the condition set forth in Section 7) shall be within three days

after the date of delivery of such notice with respect to shares of Common Stock issuable from the unissued authorized capital stock of Holdings and within three days after the approval by the Philippine SEC of the necessary increase in authorized capital stock of Holdings with respect to shares of Common Stock issuable from an increase in the authorized capital stock of Holdings; provided, however, if Holdings has not received the Notes BSRD described in Section 6(e) by such third day after the delivery of the Exchange Notice, the Closing shall occur as soon as practicable following the receipt of such Notes BSRD by Holdings, and (ii) the amount of Notes to be exchanged expressed as a Conversion Principal Amount and such Conversion Principal Amount shall be in multiples of \$25,000 or, in the case of the exchange of all outstanding Notes, such remainder of the Conversion Principal Amount. Concurrent with the delivery of the Exchange Notice with respect to shares of Common stock issuable from the unissued authorized capital stock and within three (3) Business Days after stockholders representing at least two-thirds of the outstanding capital stock of Holdings approve the necessary increase in authorized capital stock with respect to shares of Common Stock issuable from an increase in authorized capital stock of Holdings, Purchaser shall deliver to Holdings (A) an executed signature page of the Exchange Shares Subscription Agreement attached hereto as Exhibit A ("Exchange Shares Subscription Agreement"), (B) an executed signature page of the Note Assignment, a form of which is attached hereto as Exhibit B ("Note Assignment"), (C) such number of Notes owned by Purchaser with an aggregate principal amount equal to the Conversion Principal Amount as set forth in the Exchange Notice to which the Exchange Notice relates together with the Note Assignment duly executed by Purchaser. Upon such delivery and subject to Section 6(a)(iii), Holdings shall receive the relevant Notes and all the rights pertaining to a holder thereof other than the Exchange Rights.

(d) Exchange of Notes. i) The Exchange Right will be deemed to be exercised on the date of delivery of the Exchange Notice. The number of shares of Common Stock to be issued and delivered to Purchaser in connection with the delivery of the Exchange Notice shall be determined by dividing the Conversion Principal Amount as set forth in such Exchange Notice by the Note Exercise Price then in effect.

(ii) Any accrued and unpaid interest (other than accrued and unpaid interest added to the Invested Principal Amount pursuant to Section 2.01 of the Notes) in respect of any Notes to be exchanged into shares of Common Stock pursuant to an Exchange Notice shall be paid in cash at the time such Notes are exchanged.

(iii) No fractional shares of Common Stock or scrip representing fractional shares of Common Stock shall be issued upon the exchange of the Note. In lieu of any fractional share of Common Stock to which the Holder would otherwise be entitled, the Company shall make a cash payment equal to the Note Exercise Price multiplied by such fraction.

(e) Closing. The consummation of the exchange of Notes for Exchange Shares contemplated by this Agreement (the "Exchange Closing") shall occur within three days after the date of delivery of an Exchange Notice with respect to shares of Common Stock issuable from the unissued authorized capital stock of Holdings and within three days after the approval by the Philippine SEC of the necessary increase in authorized capital stock of Holdings with respect to shares of Common Stock issuable from an increase in the authorized capital stock of Holdings (each, a "Closing Date"); provided, however, if Holdings has not received the Notes

BSRD described in Section 6(d) by such third day after the delivery of the Exchange Notice, the Closing shall occur as soon as practicable following the receipt of such Notes BSRD by Holdings and the Company. In the event that all of Purchaser's Notes are not exchanged pursuant to this Agreement at the relevant Closing, Purchaser may engage in successive closings (each, an "Exchange Subsequent Closing") with respect to the completion of the exchange of its Notes for Common Stock.

(f) Closing Deliveries.

(i) At the Exchange Closing or any Exchange Subsequent Closing, as the case may be, Holdings shall deliver to Purchaser (A) certificates evidencing such number of shares of Common Stock (as calculated in accordance with Section 2(d) above) (the "Exchange Shares"), pursuant to the Exchange Notice to which the Exchange Closing or such Exchange Subsequent Closing relates, in definitive form and registered in the name of Purchaser and/or such assigns permitted pursuant to the Note and in such denominations as Purchaser shall reasonably request, (B) proof of the payment prior to such Closing Date of applicable documentary stamp taxes and any other fees or costs imposed on the issuance of the Exchange Shares by any Governmental Agency having jurisdiction over such issuance, (C) one or more of the Notes BSRDs, covering such amounts as necessary to cause the registration of the Exchange Shares with the BSP and any other document, certificate or report that may be required by the BSP in respect of such registration and (D) the fee contemplated by Section 6(a)(iii)(a).

(ii) At the Exchange Closing or any Exchange Subsequent Closing, as the case may be, the Company shall deliver to Purchaser (A) an amount in cash equal to any accrued and unpaid interest (other than accrued and unpaid interest added to the Invested Principal Amount pursuant to Section 2.01 of the Notes) in respect of the Notes exchanged into Common Stock pursuant to the Exchange Notice delivered to Holdings under Section 2(d) above and (B) a new Note representing the Current Invested Principal Amount, if any.

3. Mandatory Issuance of Common Stock

(a) Mandatory Issuance Rights. Subject to the terms and conditions set forth herein, at any time after the date hereof and from time to time, Purchaser, in its sole discretion, may elect to replace all of its Exchange Rights with the right (the "Mandatory Issuance Rights") to (i) assign a portion or all of the Notes to Holdings; provided, however, that prior to such assignment, the Company shall redeem a portion of such Notes pursuant to Section 3(c) hereof, and (ii) subscribe for shares of Common Stock (the "Mandatory Issuance") at a price per share equal to the then par value of one share of Common Stock (the "Issuance Purchase Price").

(b) Exercise of Mandatory Issuance Rights. The Mandatory Issuance Right shall be exercised by written notice from Purchaser to Holdings (a "Mandatory Issuance Notice") stating that Purchaser desires to exercise a Mandatory Issuance Right and setting forth: (i) the proposed closing date, which (subject to the earlier satisfaction or waiver of the condition set forth in Section 7) shall be within three days after the date of delivery of such notice with respect to shares of Common Stock issuable from the unissued authorized capital stock of Holdings and

within three days after the approval by the Philippine SEC of the necessary increase in authorized capital stock of Holdings with respect to shares of Common Stock issuable from an increase in the authorized capital stock of Holdings, and (ii) the number of shares of Common Stock to be issued to Purchaser in connection with the delivery of the Mandatory Issuance Notice, which shall be determined by *dividing* (A) the Conversion Principal Amount specified in the Mandatory Issuance Notice by (B) the Note Exercise Price then in effect; provided, however, that if the Holder would receive any fractional share of Common Stock pursuant to this calculation, Holdings shall make a cash payment to Purchaser equal to the Note Exercise Price then in effect multiplied by such fraction. Concurrently with the delivery of a Mandatory Issuance Notice, Purchaser shall deliver to Holdings (A) an executed signature page of the Subscription Agreement, (B) an executed signature page of the Note Assignment, (C) such number of Notes owned by Purchaser with an aggregate principal amount equal to the Conversion Principal Amount as set forth in the Mandatory Issuance Notice to which the Mandatory Issuance relates, together with an instrument of transfer reasonably satisfactory to Holdings duly executed by Purchaser, and (D) the Issuance Purchase Price for the Mandatory Issuance Shares. Upon such delivery, and subject to Section 3(c) below, Holdings shall receive the relevant Notes and all the rights pertaining to a holder thereof other than the Mandatory Issuance Rights.

(c) Redemption of Notes and Transfer of Notes. (i) Within fourteen (14) days from the delivery of the Mandatory Issuance Notice with respect to shares of Common Stock issuable from unissued authorized capital stock of Holdings and within fourteen (14) days after stockholders representing at least two-thirds of the outstanding capital stock of Holdings approve the necessary increase in authorized capital stock with respect to shares of Common Stock issuable from an increase in authorized capital stock of Holdings, the Company shall redeem from Purchaser for a cash payment (including any accrued and unpaid interest (other than accrued and unpaid interest added to the Invested Principal Amount pursuant to Section 2.01 of the Notes) relating to such redeemed Notes, the "Redemption Payment") a portion of the Conversion Principal Amount of the Notes specified in the Mandatory Issuance Notice equal to the Issuance Purchase Price of the Shares being issued in the Mandatory Issuance. Such redemption shall not be taken into account in calculating the number of Mandatory Issuance Shares to be issued pursuant to Section 3(b)(ii) above.

(ii) Within fourteen (14) days from the delivery of the Mandatory Issuance Notice with respect to shares of Common Stock issuable from unissued authorized capital stock of Holdings, and within fourteen (14) days after stockholders representing at least two-thirds of the outstanding capital stock of Holdings approve the necessary increase in authorized capital stock with respect to shares of Common Stock issuable from an increase in authorized capital stock of Holdings, (A) each of Holdings and the Company shall deliver to the Purchaser and the Purchaser shall deliver to Holdings, an executed signature page of the Mandatory Issuance Shares Subscription Agreement, a form of which is attached hereto as Exhibit C (the "Mandatory Issuance Shares Subscription Agreement"), (B) Holdings shall deliver to the Purchaser and the Purchaser to Holdings, an executed signature page of the Note Assignment, (C) the Company shall deliver to the Purchaser the Redemption Payment, and (D) the Purchaser shall deliver to Holdings the Issuance Purchase Price and such number of Notes owned by Purchaser with an aggregate principal amount equal to the Conversion Principal Amount as set forth in the Mandatory Issuance Notice to which the Mandatory Issuance relates, together with the relevant

Note Assignment, it being understood that the actions contemplated by the foregoing clauses (A) through (C) shall occur concurrently. Thereafter, Holdings shall receive the relevant Notes and all the rights pertaining to a holder thereof other than the Mandatory Share Issuance Rights.

(d) Payment of Interest. Any accrued and unpaid interest (other than accrued and unpaid interest added to the Invested Principal Amount pursuant to Section 2.01 of the Notes) on the assigned Notes shall be paid in cash at the time such Notes are assigned.

(e) Closing. The consummation of the Mandatory Issuance contemplated by this Agreement (the "Mandatory Issuance Closing", together with the Exchange Closing, the "Closing") shall occur within three days after the date of delivery of a Mandatory Issuance Notice with respect to shares of Common Stock issuable from the unissued authorized capital stock of Holdings and within three days after the approval by the Philippine SEC of the necessary increase in authorized capital stock of Holdings with respect to shares of Common Stock issuable from an increase in the authorized capital stock of Holdings (each, a "Mandatory Issuance Closing Date"). In the event that all of Purchaser's Notes are not assigned pursuant to this Agreement at the Mandatory Issuance Closing, Purchaser may engage in successive closings (each, a "Mandatory Issuance Subsequent Closing", together with an Exchange Subsequent Closing, a "Subsequent Closing") with respect to the completion of the Mandatory Issuance.

(f) Closing Deliveries.

(i) At the Mandatory Issuance Closing or any Mandatory Issuance Subsequent Closing, as the case may be, Holdings shall deliver to Purchaser (A) certificates evidencing such number of shares of Common Stock (as calculated in accordance with Section 3(b)(ii) above) (the "Mandatory Issuance Shares"), pursuant to the Mandatory Issuance Notice to which the Mandatory Issuance Closing or such Mandatory Issuance Subsequent Closing relates, in definitive form and registered in the name of Purchaser and/or such assigns permitted pursuant to the Note and in such denominations as Purchaser shall reasonably request and (B) proof of the payment prior to such Mandatory Issuance Closing Date of applicable documentary stamp taxes and any other fees or costs imposed on the issuance of the Mandatory Issuance Shares by any Governmental Agency having jurisdiction over such issuance.

(ii) At the Mandatory Issuance Closing or any Mandatory Issuance Subsequent Closing, as the case may be, the Company shall deliver to Purchaser (A) an amount in cash equal to the sum of (x) any accrued and unpaid interest (other than accrued and unpaid interest added to the Invested Principal Amount pursuant Section 2.01 of the Notes) in respect of the Notes assigned pursuant to the Mandatory Issuance Notice delivered to Holdings under Section 3(b)(ii) above, (y) any cash payment in lieu of any fractional share of Common Stock pursuant to Section 3(b)(ii) above, and (z) the Redemption Payment, and (B) a new Note representing the Current Invested Principal Amount, if any.

4. Representations and Warranties of Holdings and Purchaser

(a) As of the date hereof and as of the date of the Closing and each Subsequent Closing, Holdings hereby represents and warrants to Purchaser as follows:

(i) Existence. Holdings is a corporation duly organized, validly existing and in good standing under the laws of the Philippines and has full corporate power and authority to conduct its business and own and operate its properties as now conducted, owned and operated.

(ii) Authorization and Enforceability. Holdings has the full power and authority and has taken all required corporate and other action necessary to authorize and permit Holdings to execute and deliver this Agreement and to carry out the terms hereof and to issue and deliver the Common Stock (except to the extent Holdings is required to issue and deliver Common Stock in excess of its authorized capital stock), and none of such actions will violate any provision of Holdings' Articles of Incorporation or any applicable Law, or rule of any stock exchange where the ADSs are listed, or result in the breach of, or constitute a default (or event which, with notice or lapse of time or both, would constitute a default) under, any agreement, instrument or understanding to which Holdings is a party or by which it is bound. This Agreement constitutes a legal, valid and binding obligation of Holdings, enforceable against Holdings in accordance with its terms, except to the extent limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws of general application related to the enforcement of creditor's rights generally and (ii) general principles of equity. The Purchaser acknowledges that the following shall not constitute a breach of the representations and warranties contained in this Section 4.1(a)(ii): (1) Holdings' non-payment as of the date hereof of documentary stamp taxes that will be due on the issuance of shares of Common Stock issuable under this Agreement or any applicable taxes, fees or costs contemplated by Section 2(f)(i)(B) or 3(f)(ii)(B) of this Agreement, (2) Holdings' not having secured as of the date hereof an amended Notes BSRD and (3) Holdings' not having secured as of the date hereof and as of the Closing the Shares BSRD.

(iii) Issuance of Common Stock. The shares of Common Stock that may be issued pursuant to this Agreement, when issued and delivered in accordance with this Agreement, will be validly issued and outstanding and will be fully paid, nonassessable and registrable with the BSP.

(b) As of the date hereof and as of the date of the Closing and each Subsequent Closing, Purchaser hereby represents and warrants to Holdings and the Company as follows:

(i) Existence. Purchaser is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of Delaware.

(ii) Authorization and Enforceability. Purchaser has the full power and authority and has taken all action necessary to authorize and permit it to execute and

deliver this Agreement and to carry out the terms hereof and none of such actions will violate any provision of Purchaser's organizational documents or any applicable Law, or result in the breach of, or constitute a default (or event which, with notice or lapse of time or both, would constitute a default) under, any agreement, instrument or understanding to which Purchaser is a party or by which it is bound. This Agreement constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except to the extent limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and similar laws of general application related to the enforcement of creditor's rights generally and (ii) general principles of equity.

(iii) Securities Laws. The Purchaser understands that the amendment of the Notes and the issuance of Common Stock pursuant to the Notes and this Agreement is intended to be exempt from registration under the Securities Act. The Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the Securities Act. The Purchaser has acquired the Notes (and will acquire the Common Stock pursuant hereto) for its own account, for investment and not with a view to the public resale or distribution thereof, in violation of any United States or Philippine securities law.

5. Anti-Dilution Adjustments

(a) If Holdings shall, while Purchaser's Exchange Rights or Mandatory Issuance Rights under this Agreement are outstanding, issue or sell shares of Common Stock or Common Stock Equivalents (as defined below) without consideration or at a price per share or Net Consideration Per Share (as defined below) less than the Current Market Price in effect immediately prior to such issuance or sale then in such case the Note Exercise Price, except as hereinafter provided, shall be lowered so as to be equal to an amount determined by multiplying such Note Exercise Price by the following fraction:

$$\frac{N_0 + N_1}{N_0 + N_2}$$

Where:

N_0 = the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock or Common Stock Equivalents (calculated on a fully diluted basis assuming the exercise or conversion of all then exercisable or convertible options, warrants, purchase rights and convertible securities).

N_1 = the number of shares of Common Stock which the aggregate consideration (without giving effect to any underwriter's discounts or commissions) if any (including the Net Consideration Per Share with respect to the issuance of Common Stock Equivalents), received or receivable by Holdings for the total number of such additional shares of Common Stock so issued or deemed to be issued would purchase at the Current Market Price in effect immediately prior to such issuance.

N_2 = the number of such additional shares of Common Stock so issued or deemed to be issued.

(b) For purposes of this Section 5, if a part or all of the consideration received by Holdings in connection with the issuance of any securities described in this Section 5 consists of property other than cash, such consideration shall be deemed to have a fair market value as is reasonably determined in good faith by the Board or a committee thereof. For the purposes of this Section 5, the issuance of any warrants, options or subscription or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock, including the ADSs, and the issuance of any warrants, options or subscription or purchase rights with respect to such convertible or exchangeable securities (collectively, "Common Stock Equivalents") shall be deemed an issuance of Common Stock. For the avoidance of doubt, if a Common Stock Equivalent is issued or sold as part of a unit with any other security of Holdings or its Affiliates that is not independent of a Common Stock Equivalent, such other security shall not constitute a Common Stock Equivalent. Any obligation, agreement or undertaking to issue Common Stock Equivalents at any time in the future shall be deemed to be an issuance at the time such obligation, agreement or undertaking is made or arises and no additional adjustment of the Note Exercise Price shall be made upon issuance of the Common Stock pertaining thereto.

(c) For purposes of this Section 5, the "Net Consideration Per Share" which shall be receivable by Holdings for any Common Stock issued upon the exercise or conversion of any Common Stock Equivalents shall be determined as follows:

(i) The amount equal to the total amount of consideration, if any, received by Holdings for the issuance of such Common Stock Equivalents (without giving effect to any underwriting discounts or commissions), plus the minimum amount of consideration, if any, payable to Holdings upon exercise, or conversion or exchange thereof, divided by the aggregate number of shares of Common Stock that would be issued if all such Common Stock Equivalents were exercised, exchanged or converted.

(ii) In each instance such determination shall be made as of the date of issuance of Common Stock Equivalents without giving effect to any possible future upward price adjustments or rate adjustments which may be applicable with respect to such Common Stock Equivalents.

(d) Section 5(a) shall not apply under any of the circumstances that would constitute an Extraordinary Common Stock Event (as described below). Further, Section 5(a) shall not apply with respect to the issuance or sale of shares of Common Stock, or the grant of options or other Common Stock Equivalents exercisable therefor, to current or former directors, officers, employees and consultants of Holdings or any subsidiary pursuant to any qualified or non-qualified stock option plan or agreement, stock purchase plan or agreement, stock restriction agreement, employee stock ownership plan, consulting agreement, or such other options, issuances, arrangements, agreements or plans intended principally as a means of providing compensation for employment or services, provided that in each such case such plan, agreement, or other arrangement or issuance is approved by the vote or consent of the Board.

(e) Upon the happening of an Extraordinary Common Stock Event (as described below), simultaneously with the happening of such Extraordinary Common Stock Event, the Note Exercise Price shall be adjusted by multiplying the Note Exercise Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be the Note Exercise Price.

An “Extraordinary Common Stock Event” shall mean (i) the issue of additional shares of Common Stock as a dividend or other distribution on outstanding shares of Common Stock, (ii) a subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) a combination or reverse stock split of outstanding shares of Common Stock into a smaller number of shares of the Common Stock.

(f) If the Common Stock shall be changed into the same or a different number of shares of any other class or classes of capital stock, whether by capital reorganization, recapitalization, reclassification or consolidation or merger of Holdings with another corporation, or the sale of all or substantially all of its assets to another corporation or otherwise (other than an Extraordinary Common Stock Event), then in each such event Purchaser shall have the right thereafter to receive upon exercise hereof, in lieu of the number of shares of Common Stock which Purchaser would otherwise have been entitled to receive, the kind and amount of shares of capital stock and other securities and property which it would have received upon such reorganization, recapitalization, reclassification or consolidation or merger of Holdings with another corporation, or the sale of all or substantially all of its assets or other change had Purchaser exercised the Exchange Right immediately prior to such reorganization, recapitalization, reclassification or consolidation or merger of Holdings with another corporation, or the sale of all or substantially all of its assets or change, all subject to further adjustment as provided herein. The provision for such adjustments shall be a condition precedent to the consummation by Holdings of any such transaction.

(g) Whenever on or after the date of this Agreement the number of shares of Common Stock for which this Exchange Right is exercisable or the Note Exercise Price is adjusted, as herein provided, Holdings shall promptly give notice thereof to Purchaser, in accordance with Section 9(b), by delivering a certificate which sets forth the Note Exercise Price after such adjustment and a brief statement of the facts requiring such adjustment. Such certificate shall also set forth the kind and amount of stock or other securities or property for which this Exchange Right shall be exercisable following the occurrence of any of the events specified above. The foregoing anti-dilution adjustments shall not apply to any securities outstanding prior to the date hereof.

6. Covenants

(a) Holdings Reservation of the Common Stock; Increase in Authorized but Unissued Common Stock (i) Holdings shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of issuance upon exchange of the Notes or pursuant to a Mandatory Issuance, in each case in accordance with this

Agreement, or pursuant to the Exchange Agreement, dated as of June 2, 2005, among Holdings, the Company and Purchaser (the "2005 Exchange Agreement"), the lesser of (A) such number of shares of Common Stock as are issuable upon the exchange of all then outstanding Notes and pursuant to a Mandatory Issuance, in each case pursuant to this Agreement, and pursuant to the 2005 Exchange Agreement and (B) all of its then authorized but unissued shares of Common Stock. All shares of Common Stock that are to be issuable upon exercise of the Exchange Right shall, when issued, be duly authorized, duly and validly issued, fully paid and non-assessable and free from all taxes, charges and Encumbrances. Holdings shall take all such actions as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable Law or Regulation or of any requirements of any domestic securities exchange upon which shares of Common Stock may be listed (except for official notice of issuance, which shall be immediately transmitted by Holdings upon issuance).

(ii) At any time and from time to time, Purchaser may request that Holdings use its reasonable best efforts to increase the number of its authorized but unissued shares of Common Stock to a number of shares of Common Stock that is not greater than the number of shares of Common Stock that would be issuable (A) upon the exchange of all then outstanding Notes or pursuant to a Mandatory Issuance, in each case pursuant to this Agreement, and (B) pursuant to the 2005 Exchange Agreement. Following receipt of such a request, Holdings shall use its reasonable best efforts to take all action necessary to increase its authorized but unissued shares of Common Stock accordingly as promptly as practicable thereafter and shall keep Purchaser reasonably informed with respect thereto.

(iii) If and to the extent that the Purchaser, in connection with its subscription for any newly-authorized shares of Common Stock in connection with any exercise of a Mandatory Issuance Right or an Exchange Right under this Agreement or the 2005 Exchange Agreement, contributes, transfers or assigns an amount (whether or not such amount is in the form of cash or all or a portion of the Note or the 2005 Note) to Holdings as paid-in capital for all or a portion of such shares of Common Stock (the "Contributed Amount"), then, (a) at the Closing (if any), Holdings shall pay to Purchaser in cash a fee in an amount equal to the interest that would have accrued on such Contributed Amount under the Note or the 10.00% Exchangeable Senior Subordinated Note dated as of June 2, 2005 (the "2005 Note") in respect of which such Mandatory Issuance Right or Exchange Right was exercised since it was exercised or (b) if the Closing does not occur prior to the 60th Business Day after the delivery of an Exchange Notice or Mandatory Issuance Notice, as applicable, Holdings shall promptly return such Contributed Amount to Purchaser (together with a fee in cash in an amount equal to the interest that would have accrued on such Contributed Amount under the Note or the 2005 Note in respect of which such Mandatory Issuance Right or Exchange Right was exercised since it was exercised), in cash or by return of the applicable portion of the Notes or the 2005 Notes contributed to Holdings. Notwithstanding any other agreement entered into by and among the Purchaser, Holdings and the Company, the period provided for in this Section 6(a)(iii) may be extended with the prior consent of the Purchaser for good cause, which consent shall not be unreasonably withheld.

(b) Filings; Etc. Subject to the terms and conditions herein provided, Purchaser, Holdings and the Company shall:

(i) make any required filings, and obtain the consents, approvals, permits or authorizations, required to be made or obtained prior to the Closing or a Subsequent Closing, as the case may be, with or from any Governmental Agency;

(ii) to the extent permitted by Law and Regulation, agree not to participate in any meeting or discussion with any Governmental Agency in respect of any filings, investigation or other inquiry concerning this Agreement or the transactions contemplated hereby unless they consult with the other parties in advance and, to the extent permitted by such Governmental Agency, gives the other parties the opportunity to attend and participate in such meeting or discussion;

(iii) to the extent permitted by Law and Regulation, furnish the other parties with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between them and their subsidiaries and their respective representatives on the one hand, and any Governmental Agency or members of any such agency's staff on the other hand, with respect to this Agreement and the transactions contemplated hereby; and

(iv) furnish the other parties with such necessary information and reasonable assistance as such other parties and their Affiliates may reasonably request in connection with their preparation of necessary filings, registrations or submissions of information to any governmental or regulatory authorities.

(c) Without limiting Section 6(b), Purchaser, Holdings and the Company shall:

(i) each use reasonable best efforts to avoid the entry of, or to have vacated, terminated or modified, any decree, order or judgment that would restrain, prevent or delay the consummation of the transactions contemplated by this Agreement; and

(ii) each use reasonable best efforts to take any and all steps necessary to obtain any consents and approvals or make any required filings under Section 6(b) above or eliminate any impediments to the consummation of the transactions contemplated by this Agreement.

(d) [Intentionally Omitted.]

(e) BSP Filings. (i) Holdings and the Company agree that, on or prior to September 30, 2008, they shall have (A) taken all action necessary to register the full amount of the Notes as a foreign currency loan with the BSP and (B) obtained the related BSRD (the "Notes BSRD"); provided, however, that if Purchaser delivers to Holdings an Exchange Notice prior to September 30, 2008, Holdings and the Company shall promptly take all action necessary to register the amount of Notes subject to such Exchange Notice and obtain the related Notes BSRD by the later of September 30, 2008 or 15 days from receipt of the relevant Exchange Notice. Such action shall include filing of proof of receipt of the Purchase Price, documents

pertaining to the use of proceeds from the Purchase Price and all other documents that may be required by the BSP to register the Notes and issue the Notes BSRD.

(ii) Holdings and the Company agree that, for the benefit of Purchaser or any transferee of Purchaser, they shall have (A) within 5 days of the Closing or any Subsequent Closing, taken all action necessary to register the shares of Common Stock issuable upon exchange of the Notes or pursuant to Mandatory Issuance with the BSP and (B) within 30 Business Days of the Closing or the Subsequent Closing obtained the related BSRD (the "Shares BSRD"); provided, however, that in the event that Purchaser exercises an Exchange Right prior to September 30, 2008, all actions set forth in this Section 6(e)(ii) shall be completed within 60 Business Days of such Closing or Subsequent Closing instead of 30 Business Days. The period provided for in this Section 6(e)(ii) may be extended with the prior consent of the Purchaser for good cause, which consent shall not be unreasonably withheld. Such action shall include filing of the requisite Notes BSRD, if applicable, and all other documents that may be required by the BSP to register the shares of Common Stock and issue the Shares BSRD.

7. Conditions.

The obligations of Holdings and Purchaser to complete the exchange of Notes for Common Stock upon the exercise of an Exchange Right or to consummate a Mandatory Issuance upon exercise of a Mandatory Issuance Right shall be subject to the conditions that (a) the issuance of Common Stock will not require registration of the Common Stock under the Securities Act or any other securities laws and (b) none of the parties hereto shall be subject to any Law that prohibits the consummation of the transactions contemplated hereby or decree, order or injunction that prohibits the consummation of the transactions contemplated hereby issued by a court of competent jurisdiction of (i) the United States or any state or other jurisdiction in the United States or (ii) the Republic of the Philippines; provided, however, that, prior to invoking this condition, each party shall have complied with Section 6(b), and with respect to other matters not covered by Section 6(b), shall have used its reasonable best efforts to have any such decree, order or injunction lifted or vacated; and no Law or Regulation shall have been enacted by any Governmental Agency which prohibits or makes unlawful the consummation of the transactions contemplated by this Agreement.

8. Owners of Notes Not Deemed Shareholders

No owner of Notes shall, as such, be entitled to vote or be deemed the holder of Common Stock that may at any time be issuable upon exercise of Exchange Rights or Mandatory Issuance Rights for any purpose whatsoever, nor shall anything contained herein be construed to confer upon the owner of the Notes, as such, any of the rights of a shareholder of Holdings or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issue or reclassification of stock, change of par value, consolidation, merger or conveyance or otherwise), or to receive notice of meetings until such owner shall have exercised Exchange Rights or Mandatory Issuance Rights in accordance with the provisions hereof.

9. General Provisions

(a) Survival of Representation and Warranties. The representations and warranties of Holdings and Purchaser shall survive the Closing and each Subsequent Closing until all of the Notes have been exchanged into shares of Common Stock or assigned to Holdings, as applicable, paid at maturity or are redeemed in accordance with their terms and all of the Mandatory Issuance Shares have been issued, if applicable.

(b) Notice Generally. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service or by facsimile transmission (with written confirmation of receipt) to the respective parties at the following addresses (or at such other address for a party as shall be specified by notice given in accordance with this Section 9(b)):

(i) If to Purchaser, at

Merrill Lynch Global Emerging Markets Partners, LLC
World Financial Center, North Tower
250 Vesey Street
New York, NY 10080
Attention: Frank J. Marinaro
Facsimile: (212) 449-7902

and to any Holder, at the address
provided by such Holder

with a copy to:

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022
Attention: Stephen Besen
Facsimile: (212) 848-7179

(ii) If to Holdings or the Company, at

PSi Technologies, Inc.
Electronics Avenue
FTI Complex, Taguig
Metro Manila
Philippines
Attention: Arthur J. Young, Jr.
Facsimile: (632) 816-2180

with a copy to:

Akin Gump Strauss Hauer & Feld LLP
1333 New Hampshire Avenue
Washington, DC 20036-1564
Attention: Prakash H. Mehta
Facsimile: (202) 887-4288

and to:

H.G. Tiu Law Offices
No. 48, SMC Court
Celery Drive, Valle Verde 5
Pasig City, Metro Manila
Philippines 1600
Attention: Helen Go Tiu
Facsimile: (632) 637-6724

(c) Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto as hereinafter provided. The rights of Purchaser with respect to the Notes shall be transferred to any Person who is a transferee of such Notes. All obligations of Holdings hereunder shall survive any such transfer. No person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

(d) Headings. The headings and subheadings in this Agreement are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

(e) Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(i) Any claim, action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be heard and determined in any New York State or federal court sitting in The City of New York, County of Manhattan, and each of the parties hereto hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom in any such claim, action, suit or proceeding) and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such claim, action, suit or proceeding in any such court or that any such claim, action, suit or proceeding that is brought in any such court has been brought in an inconvenient forum.

(ii) Subject to applicable law, process in any such claim, action, suit or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or at equity. WITH RESPECT TO ANY SUCH CLAIM, ACTION, SUIT OR PROCEEDING IN ANY SUCH COURT,

EACH OF THE PARTIES IRREVOCABLY WAIVES AND RELEASES TO THE OTHER ITS RIGHT TO A TRIAL BY JURY, AND AGREES THAT IT WILL NOT SEEK A TRIAL BY JURY IN ANY SUCH PROCEEDING.

(f) Severability. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(g) Amendments. This Agreement may not be amended, supplemented, modified or restated nor may any provision herein be waived without the express unanimous written consent of the Holders of a majority of the principal amount of the Notes outstanding at such time, voting together as a single class; provided, however, that no amendment, supplement or modification can be made to the terms of the Exchange Right, including the Note Exercise Price, or the Mandatory Issuance Rights, without the written consent of each Holder affected thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of any Holder to assert any of its rights hereunder shall not constitute a waiver of any of such rights. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

(h) Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

(i) Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

(j) Construction. Each party hereto acknowledges and agrees that it has had the opportunity to draft, review and edit the language of this Agreement and that no presumption for or against any party arising out of drafting all or any part of this Agreement will be applied in any dispute relating to, in connection with or involving this Agreement. Accordingly, the parties hereto hereby waive the benefit of any rule of Law or any legal decision that would require, in cases of uncertainty, that the language of a contract should be interpreted most strongly against the party who drafted such language.

(k) Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may

consist of a number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

above. IN WITNESS WHEREOF, the parties have executed this Agreement and caused the same to be duly delivered on their behalf on the day and year first written

PSI TECHNOLOGIES HOLDINGS, INC.

By: _____ /s/
Name: Arthur J. Young, Jr.
Title: Chairman of the Board and
Chief Executive Officer

PSI TECHNOLOGIES, INC.

By: _____ /s/
Name: Arthur J. Young, Jr.
Title: Chairman of the Board and Chief
Executive Officer

**MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS, LLC**

By: Merrill Lynch Global Emerging Markets
Partners, L.P.,
as its Managing Member

By: Merrill Lynch Global Capital, L.L.C.,
as its General Partner

By: Merrill Lynch Global Partners, Inc.,
as its Managing Partner

By: _____ /s/
Name:
Title:

CONSENT AND AGREEMENT

Consent and Agreement, dated as of August 15, 2008 (this "Consent Agreement"), by and between Merrill Lynch Global Emerging Markets Partners, L.P., a Delaware limited partnership ("MLGEMP LP"), Merrill Lynch Global Emerging Partners, LLC, a Delaware limited liability company ("MLGEMP LLC"), and Greathill Pte. Ltd., a Singapore corporation ("GPL"), a wholly owned subsidiary of Primasia and Bridge No. 1 Greater China Secondary Fund L. P. and managed by Primasia Private Equity Management, Ltd.

WITNESSETH:

WHEREAS, MLGEMP LP, JAFCO Investment (Asia Pacific) Ltd. ("JAFCO") and the other parties thereto are parties to that certain Shareholders Agreement, dated May 29, 2001 (the "Shareholders Agreement");

WHEREAS, on December 28, 2005, JAFCO and GPL entered into a Deed of Adherence and Assumption under which JAFCO assigned to GLP JAFCO's rights and obligations under the Shareholders Agreement and GLP accepted such assignment;

WHEREAS, said Deed of Adherence and Assumption was acknowledged by MLGEMP LP on March 14, 2006;

WHEREAS, on the date hereof, PSi Technologies Holdings, Inc. ("Holdings"), PSi Technologies, Inc. and MLGEMP LLC have entered into an Amended and Restated Exchange Agreement (the "Amended Exchange Agreement"); and

WHEREAS, Section 2.2 of the Shareholders Agreement, provides that that JAFCO may have certain consent rights in connection with transactions contemplated by the Amended Exchange Agreement.

NOW, THEREFORE, each of the parties hereto agrees as follows:

1. (a) As and to the extent Section 2.2 of the Shareholders Agreement grants to GPL consent rights with respect to the transactions contemplated by the Amended Exchange Agreement (the "Covered Transactions"), GPL hereby waives such consent requirements.
- (b) As of the date hereof, GPL owns 1,955,741 shares of common stock, par value PHP 1 2/3 per share (the "Common Stock"), of Holdings (such shares, together with any shares of Common Stock acquired after the date hereof, the "GPL Shares"). GPL, by this Consent Agreement, with respect to the GPL Shares, hereby grants an irrevocable proxy to MLGEMP LLC (and agrees to execute such documents or certificates evidencing such proxy as MLGEMP LLC may reasonably request) to vote, at any meeting of the shareholders of Holdings, and in any action by written consent of the shareholders of Holdings, all of such GPL Shares in connection with any matter related to the Covered Transactions that is submitted for a vote of the

shareholders of Holdings, including without limitation any proposal Holdings submits to its shareholders in connection with a request from MLGEMP LLC made under Section 6(a)(ii) of the Amended Exchange Agreement. GPL further agrees to cause such GPL Shares, and any shares of Common Stock owned by entities under GPL's control, to be voted in accordance with the foregoing. THIS PROXY IS IRREVOCABLE AND COUPLED WITH AN INTEREST. GPL acknowledges receipt and review of a copy of the Amended Exchange Agreement.

2. This Consent Agreement may only be modified with the written consent of the parties hereto. Neither this Consent Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by a statement in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

3. This Consent Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of New York, without regard to principles of conflicts of laws.

4. No party to this Consent Agreement may assign any of its rights or obligations under this Consent Agreement, without the prior written consent of the other parties hereto, except that either party may assign (either in whole or in part) its rights and obligations, to one or more affiliates of such party, which shall agree to be bound by the terms hereof. Any attempted assignment in contravention hereof shall be null and void. The transferring party shall provide the non-transferring parties with prompt notice of any transfer to an affiliate.

5. Nothing in this Consent Agreement shall convey any rights upon any person or entity which is not a party or permitted designee of a party to this Consent Agreement.

6. Without limiting the rights of each party hereto to pursue all other legal and equitable rights available to such party for the other party's failure to perform its obligations under this Consent Agreement, the parties hereto acknowledge and agree that the remedy at law for any failure to perform their obligations hereunder would be inadequate and that each of them, respectively, to the extent permitted by applicable law, shall be entitled to specific performance, injunctive relief or other equitable remedies in the event of any such failure.

7. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the parties shall negotiate in good faith with a view to the substitution therefor of a suitable and equitable solution in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid provision; provided, however, that the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all of the rights and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

8. The parties hereto have participated jointly in the negotiation and drafting of this Consent Agreement. In the event an ambiguity or question of intent or interpretation arises, this Consent Agreement shall be construed as if drafted jointly by the parties hereto, and

no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Consent Agreement.

9. This Consent Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Consent Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS, LLC**

By: Merrill Lynch Global Emerging Markets Partners,
L.P., as its Managing Member

By: Merrill Lynch Global Capital, L.L.C., as its General
Partner

By: Merrill Lynch Global Private Equity, Inc., as its
Managing Partner

By: /s/ _____
Name:
Title:

**MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS, L.P.**

By: Merrill Lynch Global Capital, L.L.C., as its General
Partner

By: Merrill Lynch Global Private Equity, Inc., as its
Managing Partner

By: /s/ _____
Name:
Title:

GREATHILL PTE. LTD.

By: By: Primeasia Private Equity Management, Ltd.

By: /s/ _____
Name:
Title:

WAIVER AGREEMENT

THIS WAIVER AGREEMENT (this "Waiver") is made and entered into as of August 15, 2008, among **PSI TECHNOLOGIES, INC.**, (the "Company"), **PSI TECHNOLOGIES HOLDINGS, INC.**, ("Holdings") and **MERRILL LYNCH GLOBAL EMERGING MARKETS PARTNERS, LLC** ("MLGEMP").

RECITALS:

- A. The Company has issued that certain Exchangeable Senior Subordinated Note, dated as of June 2, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "Note") for the benefit of MLGEMP.
- B. In connection with the Note, the Company, Holdings and MLGEMP entered into (i) that certain Purchase Agreement, dated as of June 2, 2005 (the "Purchase Agreement") and (ii) that certain Exchange Agreement, dated as of June 2, 2005 (the "Exchange Agreement") and, together with the Note and the Purchase Agreement, the "2005 Documents").
- C. Concurrently with this Waiver, (i) the Company and MLGEMP are entering into that certain Third Amendment to Exchangeable Senior Subordinated Note, dated as of the date hereof (the "2003 Note Amendment") and (ii) the Company, Holdings and MLGEMP are entering into that certain Amended and Restated Exchange Agreement, dated as of the date hereof (the "Amended Exchange Agreement", together with the 2003 Note Amendment, the "2003 Amendment Documents").
- D. The Company and Holdings are now requesting that MLGEMP waive the Event of Default (as hereinafter defined), which the Lender is willing to do on the terms and conditions provided for herein.

In consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

- Waiver. Subject to the conditions and upon the terms set forth in this Waiver, MLGEMP hereby waives the event of default that will or may arise as of the date hereof as a result of Holdings' failure to comply with Section 4(a)(ii), Section 4(a)(iii) and Section 6(a) of the Exchange Agreement (the "Event of Default") upon entering into or performance of the Amended Exchange Agreement (but only to the extent such Event of Default relates to a deficiency in the number of shares of authorized but unissued Common Stock available to satisfy an Exchange Right (as defined in the Exchange Agreement) following satisfaction of an Exchange Right (as defined in the Amended Exchange Agreement)); provided, that, such waiver shall be in effect only for so long as Holdings is in compliance with its obligations under Section 6(a)(ii) of the Amended Exchange Agreement.
 - Continuing Effect; No Other Waivers. Except as expressly waived hereby, all of the terms and provisions of the 2005 Documents are and shall remain in full force and effect.
-

The waiver provided for herein is limited to the extent specified herein and shall not constitute a waiver of, or an indication of MLGEMP's willingness at any other time to waive any other provisions of, the 2005 Documents.

3. Severability. Any provision of this Waiver held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Waiver and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.
4. Successors and Assigns. This Waiver is binding upon and shall inure to the benefit of the Company, Holdings and MLGEMP and their respective successors and assigns.
5. Governing Law. This Waiver will be governed by, and construed in accordance with, the laws of the State of New York. In any action or proceeding arising out of, related to, or in connection with this Waiver, the Company and Holdings consent to be subject to the jurisdiction and venue of (a) the Supreme Court of the State of New York in and for the County of New York, and (b) the United States District Court for the Southern District of New York. The Company and Holdings consent to the service of process in any action commenced hereunder by any method or service acceptable under federal law or the laws of the State of New York.
6. WAIVER OF JURY TRIAL. THE COMPANY, HOLDINGS AND MLGEMP HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF UNDER OR, IN CONNECTION WITH THIS WAIVER.
7. Headings Descriptive. The headings of the several sections and subsections of this Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Waiver.
8. Counterparts. This Waiver may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. Delivery of an executed counterpart of a signature page to this Waiver by telecopy shall be as effective as delivery of a manually executed counterpart of this Waiver.

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above written. IN WITNESS WHEREOF, the parties hereto have caused this Waiver to be duly executed by their respective authorized officers as of the day and year first

**MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS, LLC**

By: Merrill Lynch Global Emerging Markets Partners, L.P., as its Managing Member

By: Merrill Lynch Global Capital, L.L.C., as its General Partner

By: Merrill Lynch Global Partners, Inc., as its Managing Member

By: /s/

Name:

Title:

PSI TECHNOLOGIES HOLDINGS, INC.

By: /s/

Name: Arthur J. Young, Jr.

Title: Chairman of the Board and Chief
Executive Officer

PSI TECHNOLOGIES, INC.

By: /s/

Name: Arthur J. Young, Jr.

Title: Chairman of the Board and Chief
Executive Officer

JOINT FILING AGREEMENT

The undersigned hereby agree that the Statement on the Schedule 13D filed herewith (and any amendments thereto), relating to the Common Shares, par value 1 and 2/3 Philippine Pesos per share, of PSi Technologies Holdings, Inc. is being filed jointly with the Securities and Exchange Commission pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, on behalf of each such person.

August 5, 2008

MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS, LLC

By: Merrill Lynch Global Emerging
Partners, L.P.,
as its Managing Member

By: Merrill Lynch Global Capital L.L.C.,
as its General Partner

By: Merrill Lynch Global Private Equity,
Inc.,
as its Managing Member

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL EMERGING
MARKETS PARTNERS II, LLC

By: Merrill Lynch Global Emerging
Partners, L.P.,
as its Managing Member

By: Merrill Lynch Global Capital L.L.C.,
as its General Partner

By: Merrill Lynch Global Private Equity,
Inc.,
as its Managing Member

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH & CO., INC.

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Assistant Secretary

MERRILL LYNCH GROUP, INC.

By: /s/ Jonathan N. Santelli
Name: Jonathan N. Santelli
Title: Authorized Person*

ML IBK POSITIONS, INC.

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL PRIVATE
EQUITY, INC.

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL CAPITAL,
L.L.C.

By: Merrill Lynch Global Private Equity,
Inc.
Its Managing Member

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

MERRILL LYNCH GLOBAL
EMERGING MARKETS PARTNERS,
L.P.

By: Merrill Lynch Global Capital, L.L.C.
Its General Partner

By: Merrill Lynch Global Private Equity,
Inc.
Its Managing Member

By: /s/ Douglas P. Madden
Name: Douglas P. Madden
Title: Assistant Secretary

POWER OF ATTORNEY
To Prepare and Execute Documents Pursuant to Sections 13 and 16
of the Securities Exchange Act of 1934, as Amended,
and Rules Thereunder, by and on Behalf of

MERRILL LYNCH GROUP, INC.

Know all by these presents, that the undersigned hereby constitutes and appoints **Jonathan N. Santelli** and **Frank J. Marinaro** each individually its true and lawfully attorney-in-fact to:

(1) prepare and execute, for and on behalf of the undersigned, any and all forms, schedules, reports and other documents relating to Merrill Lynch & Co., Inc.'s direct or indirect ownership of securities that are required to be filed with the United States Securities and Exchange Commission pursuant to Section 13 and 16 of the Securities Exchange Act of 1934, as amended, and the rules thereunder (collectively, the "Exchange Act");

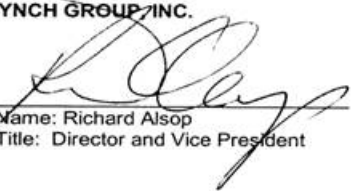
(2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to comply with the requirements of Sections 13 and 16 of the Exchange Act including, but not limited to, executing documents required by said sections of the Exchange Act and effecting the timely filing thereof with the United States Securities and Exchange Commission and any other authority; and

(3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of each such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by each such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as each such attorney-in-fact may approve in his or her discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary and proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as each such attorney-in-fact might or could do if personally present, hereby ratifying and confirming all that each such attorney-in-fact shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorney-in-fact, in serving in such capacity at the request of the undersigned, is not assuming any of the undersigned's responsibilities to comply with Sections 13 or 16 of the Exchange Act.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 9th day of October 2006.

MERRILL LYNCH GROUP, INC.

By: 
Name: Richard Alsop
Title: Director and Vice President