WAFER SYSTEMS

WAFER SYSTEMS LIMITED

威發系統有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8198)

Increase in price and trading volume in the shares of the Company, The Applied Research Council ceased to be a substantial shareholder, resignation of non-executive directors and resumption of trading

This announcement has been made by the Company pursuant to Rule 17.10 of the Growth Enterprise Market of the Stock Exchange of Hong Kong.

The board of directors (the "Board") of Wafer Systems Limited (the "Company") noted the increase in the share price of the Company as well as the increase in volume of shares traded on 12 April 2007.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 11.28 a.m. on 12 April 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 16 April 2007.

This announcement has been made by the Company pursuant to Rule 17.10 of the Growth Enterprise Market of the Stock Exchange of Hong Kong.

On enquiry on 12 April 2007, the Board has become aware that, following the sale of 1,836,000 shares in the Company in the market as disclosed in the announcement of the Company dated 11 April 2007, the Applied Research Council ("ARC"), a substantial shareholder of the Company, has sold a further 42,988,000 shares on 12 April 2007 (the "Sale Shares"), at an average price of HK$0.153 per share, out of which 42,388,000 shares were sold through an off-market transaction with a stock broker, a third party independent of the Company and its connected persons. The Sale Shares represent 14.788% in the issued share capital of the Company. After the sales on 11 April 2007 and 12 April 2007, the shareholding of ARC in the Company was reduced from 45,574,000 to 750,000 shares, i.e. 15.677% to 0.258% in the issued share capital of the Company.

The Board has also been informed, on 12 April 2007, by Mr. Ringo Chan, Chairman, Chief Executive Officer and a substantial shareholder of the Company, that he had purchased 14,208,000 shares in the Company out of the 42,388,000 shares from the broker mentioned above.

The table below shows the changes in shareholdings of substantial shareholders, directors and public shareholders in the Company before and after the taking place of the Sales Shares action.

Shareholder	*Note*	Before		After	
		No. of shares	%	No. of shares	%
Mr. Ringo Chan	1	65,252,000	22.447	79,460,000	27.335
The Applied Research Council	2	44,824,000	15.420	750,000	0.258
Mr. Ng Lai Yick	3	40,034,744	13.772	40,034,744	13.772
QPL International Holdings Ltd.	4	35,456,745	12.197	35,456,745	12.197
Public shareholders		105,127,256	36.164	134,993,256	46.438
Total shares in issue		**290,694,745**	**100.000**	**290,694,745**	**100.000**

Notes:

1. Mr. Ringo Chan is the Chairman and Chief Executive Officer of the Company. The stated shareholdings include 56,400,000 shares held by Woodstock Management Ltd., a company wholly owned by him.

2. The Applied Research Council is a public incorporated body of the Hong Kong S.A.R. Government. Before the taking place of the Sales Shares action, It was represented on the board of the Company by 2 non-executive directors, Mr. Alasdair Gordon Nagle and Ms. Clara Ho. Both Mr. Nagle and Ms. Ho have resigned from the Board with effect from 13 April 2007. After the Sales Share action, ARC is no longer a substantial shareholder and is now one of the public shareholders.

3. Mr. Ng Lai Yick is a substantial shareholder. He does not hold any position in the Company. The stated shareholding include 36,900,000 shares held by North 22 Nominees Limited, a company wholly owned by him.

4. QPL International Holdings Ltd., a company listed on the main board of the Hong Kong Stock Exchange, is represented on the board of the Company by Mr. Kwan Kit Tong, a non-executive director of the Company.

At the same time, the Board also wishes to state that the Company has received letters from Mr. Alasdair Gordon Nagle ("Mr. Nagle") and Ms. Clara Ho ("Ms. Ho") on 12 April 2007 resigning as non-executive directors of the Company with effect from 13 April 2007, such resignations the Board has approved. Both Mr. Nagle and Ms. Ho were nominated to sit on the Board of the Company by the ARC. With the resignation of Ms. Ho approved, she also ceased to be a member of the Remuneration Committee of the Company. Both Mr. Nagle and Ms. Ho have confirmed that there was no disagreement with the Board and there were no matters that they consider need to be brought to the attention of the shareholders of the Company. The Board wishes to express its sincere gratitude to both Mr. Nagle and Ms. Ho for their valuable contribution to the Company during the tenure of their office.

Save as disclosed above, the Board wishes to confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Save as disclosed above, the Board wishes to confirm that there are no other matters that need to be brought to the attention of the Company's shareholders.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 11:28 a.m. on 12 April 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on 16 April 2007.

By Order of the Board
Wafer Systems Limited
Pang Kin Man, Edmond
Company Secretary

Hong Kong, 13 April 2007

As at the date of this announcement, the Board consists of one executive Director, Mr. CHAN Sek Keung, Ringo, one non-executive Director, Mr. KWAN Kit Tong and two independent non-executive Directors, namely Mr. PANG Hing Chung, Alfred and Mr. David TSOI.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM Website at www.hkgem.com for at least 7 days from the date of its publication.

** For identification purpose only*