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WAFER SYSTEMS LIMITED

威發系統有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8198)

ANNOUNCEMENT PURSUANT TO RULE 17.10 OF GEM LISTING RULES AND RESUMPTION IN TRADING OF SHARES

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board has noted the decrease in the price of the shares of the Company today and wishes to state that, save as disclosed herein and the announcement of the Company dated 13 August 2007 in relation to the interim results of the Group, its is not aware of any reasons of such decrease.

Trading in the shares of the Company on GEM was suspended at the request of the Company from 2:30 p.m. on 14 August 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company from 9:30 a.m. on 15 August 2007.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The board (the “**Board**”) of directors (the “**Directors**”) of Wafer Systems Limited (the “**Company**”, together with its subsidiaries as the Group) has noted the decrease in the price of the shares of the Company today and wishes to state that, save as disclosed herein and the announcement of the interim results of the Group on 13 August 2007, it is not aware of any reasons for such decrease.

The Company has entered into preliminary discussions with a third party who is independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company, in relation to a possible acquisition a company in the IT business by the Group. The Board wishes to emphasize that as at the date hereof no binding agreement has yet been entered into between the Company and the independent third party and that such discussions may not proceed. Further announcement will be made on such negotiations, where appropriate, in accordance with the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Save as disclosed herein and the announcement of the Company dated 13 August 2007 in relation to the interim results of the Group, the Directors 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.

Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

SUSPENSION AND RESUMPTION IN TRADING

Trading in the shares of the Company on GEM was suspended at the request of the Company from 2:30 p.m. on 14 August 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company from 9:30 a.m. on 15 August 2007.

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

Hong Kong, 14 August 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 three independent non-executive directors, namely Mr. Pang Hing Chung, Alfred, Mr. David Tsoi and Mr. Chan Tze Ngon.

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*