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DeTeam Company Limited

弘海有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8112)

PLACING OF EXISTING SHARES PLACING OF NEW SHARES TOP-UP SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING

Placing Agent

KIM ENG

SECURITIES

KIM ENG SECURITIES (HONG KONG) LIMITED

After trading hours at about 9 p.m. on 23 July 2007, the Placing and Subscription Agreement was entered into between the Vendor, the Company, and the Placing Agent, pursuant to which the Placing Agent has agreed to place, on a best effort basis, (i) 56,900,000 existing Shares at the Placing Price of HK\$2.79 per Placing Share on behalf of the Vendor, and (ii) 13,692,000 new Shares at the Placing Price on behalf of the Company, to more than six independent professional, institutional and/or individual investors who are third parties independent of and not connected with the Company, the directors, chief executive, substantial shareholders or management of the Company or its subsidiaries, or any of their respective associates and are not parties acting in concert (as defined in the Takeovers Code) with the Vendor.

Under the Placing and Subscription Agreement, the Vendor has conditionally agreed to subscribe for the Subscription Shares (the number of which is equal to the number of Vendor Placing Shares sold by the Vendor) at HK\$2.79 per Subscription Share. The Subscription is subject to various conditions set out below under the heading "Conditions of the Subscription".

The price per Placing Share represents (i) a discount of approximately 8.82% to the closing price of HK\$3.06 per Share as quoted on the Stock Exchange on 23 July 2007 (being the last trading day immediately prior to the date of the Placing and Subscription Agreement); (ii) a discount of approximately 2.11% to the average closing price of HK\$2.85 per Share as quoted on the Stock Exchange for the last five trading days up to and including the 23 July 2007; and (iii) a premium of approximately 2.20% over the average closing price of HK\$2.73 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 23 July 2007.

The Placing Shares (comprising both the Vendor Placing Shares and the General Mandate Placing Shares) represent (i) 20% of the existing issued share capital of the Company and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the General Mandate Placing Shares and the Subscription Shares. The Vendor Placing Shares represent (i) approximately 16.12% of the existing issued share capital of the Company and (ii) approximately 13.43% of the issued share capital of the Company as enlarged by the allotment and issue of the General Mandate Placing Shares and the Subscription Shares. The General Mandate Placing Shares represent approximately (i) 3.88% of the existing issued share capital of the Company and (ii) approximately 3.23% of the issued share capital of the Company as enlarged by the allotment and issue of the General Mandate Placing Shares and the Subscription Shares. Assuming that the Placing Shares (comprising both the Vendor Placing and the General Mandate Placing) are fully placed under the Placing and assuming completion of the Subscription, the Placing will reduce the aggregate shareholdings of the Vendor and its Associates with it from approximately 16.12% to approximately 13.43% of the issued share capital of the Company as enlarged by the allotment and issue of the General Mandate Placing Shares and the Subscription Shares. An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the General Mandate Placing Shares and the Subscription Shares.

The General Mandate Placing Shares and the Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 15 June 2007. Completion of the General Mandate Placing and completion of the Subscription are independent of each other.

The gross proceeds and the estimated net proceeds of the Subscription and the General Mandate Placing are approximately HK\$197 million and HK\$191 million respectively. The net proceeds will be applied as to HK\$51.5 million by the Group for investment in building a new production plant of large plastic woven bags and the balance of HK\$139.5 for potential coal investments in the PRC. As at the date of this announcement, the Group has engaged in preliminary discussions on some of the potential coal investments but it has not entered into any agreement in respect of the same. The Company will disclose details of its investments by way of an announcement if it enters into any agreement in respect of the investment in the future, in accordance with the requirements of the GEM Listing Rules.

As at the date of this announcement, the Group intends to engage in coal investments business in the PRC. The Company has been approached by several coal mining ventures both in the PRC and overseas for co-operative venture opportunities but has not entered into any agreement for such potential investments. No specific details as to the size and location of these possible investments have been discussed. Such intentions to engage in coal investments business in the PRC have not been announced prior to the Placing. Further announcement will be made in the future if such investment arises in accordance with the GEM Listing Rules.

At the request of the Company, trading in the Shares on GEM was suspended from 9:30 a.m. on Tuesday, 24 July 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on Thursday, 26 July 2007.

THE PLACING

Reference is made to the announcement dated 23 July 2007 made by the Company. Both the Vendor Placing and the General Mandate Placing are provided under the Placing and Subscription Agreement dated 23 July 2007 entered into at about 9:00 p.m. that day between the Vendor, the Company and the Placing Agent.

(1) Vendor Placing

Vendor: Lucky Team, whose ultimate beneficial owner is Mr MAK Shiu Chung, Godfrey, an executive director of the Company. As confirmed by the Vendor, the Vendor, together with its Associates, owned 56,900,000 Shares, representing approximately 16.12% of the existing issued share capital of the Company of 352,960,000 Shares as at the last trading day immediately prior to the date of this announcement.

Placing agent: Kim Eng Securities (Hong Kong) Limited, who is (and whose ultimate beneficial owners are) independent of the Company and its connected persons.

Placees: It is expected that the Placing Shares (comprising both the Vendor Placing Shares and the General Mandate Placing Shares) will be placed to six independent professional, institutional and/or individual investors (and whose ultimate beneficial owners are) independent of the Company and its connected persons.

Number of Placing Shares:

The Placing Agent has agreed to procure, on a best effort basis, placees for the purchase of up to 56,900,000 Shares owned by the Vendor, representing approximately 16.12% of the existing issued share capital of the Company and approximately 13.43% of the issued share capital of the Company as enlarged by the allotment and issue of the General Mandate Placing Shares and the Subscription Shares pursuant to the General Mandate Placing and the Subscription respectively.

Placing Price:

HK\$2.79 per Placing Share, which is applicable to both the General Mandate Placing Shares and the Vendor Placing Shares.

This price was agreed after arm's length negotiations between the Vendor, the Company and the Placing Agent with reference to recent market prices of the Shares. This price represents (i) a discount of approximately 8.82% to the closing price of HK\$3.06 per Share as quoted on the Stock Exchange on 23 July 2007 (being the last trading day immediately prior to the date of the Placing and Subscription Agreement); (ii) a discount of approximately 2.11% to the average closing price of HK\$2.85 per Share as quoted on the Stock Exchange for the last five trading days up to and including the 23 July 2007; and (iii) a premium of approximately 2.20% over the average closing price of HK\$2.73 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 23 July 2007.

The Directors (including independent non-executive Directors) consider that the Placing Price and the terms of the Placing and Subscription Agreement are fair and reasonable, determined under normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The net Placing Price, after deduction of placing fee and all other fees and expenses, is approximately HK\$2.71.

Completion of the Placing:

Completion of the Vendor Placing is unconditional and will take place on 27 July 2007 or such date as the Placing and Subscription Agreement may agree.

Rights of the Placing Shares

The Vendor Placing Shares will be sold by the Vendor free of liens, charges, encumbrances, claims, options and third party rights and with all rights attaching thereto as at the date of completion of the Vendor Placing.

(2) General Mandate Placing

Issuer: The Company

Placing agent: Kim Eng Securities (Hong Kong) Limited, who is (and whose ultimate beneficial owners are) independent of the Company and its connected persons.

Placees: It is expected that the Placing Shares (comprising both the Vendor Placing Shares and the General Mandate Placing Shares) will be placed to six independent professional, institutional and/or individual investors who are (and whose ultimate beneficial owners are) independent of the Company and its connected persons and that no placee will become a substantial Shareholder as a result of the Placing.

Number of Placing Shares:

The Placing Agent has also agreed to procure, on a best effort basis, placees for the subscription of up to 13,692,000 new Shares, representing approximately 3.88% of the existing issued share capital of the Company and approximately 3.23% of the issued share capital of the Company as enlarged by the allotment and issue of the General Mandate Placing Shares and the Subscription Shares pursuant to the Subscription.

Placing Price:

HK\$2.79 per Placing Share, which is applicable to both the General Mandate Placing Shares and the Vendor Placing Shares.

This price was agreed after arm's length negotiations between the Vendor, the Company and the Placing Agent with reference to recent market prices of the Shares. This price represents (i) a discount of approximately 8.82% to the closing price of HK\$3.06 per Share as quoted on the Stock Exchange on 23 July 2007 (being the last trading day immediately prior to the date of the Placing and Subscription Agreement); (ii) a discount of approximately 2.11% to the average closing price of HK\$2.85 per Share as quoted on the Stock Exchange for the last five trading days up to and including the 23 July 2007; and (iii) a premium of approximately 2.20% over the average closing price of HK\$2.73 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 23 July 2007.

The Directors (including independent non-executive Directors) consider that the Placing Price and the terms of the Placing and Subscription Agreement are fair and reasonable, determined under normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The net Placing Price, after deduction of placing fee and all other fees and expenses, is approximately HK\$2.71.

Completion of the General Mandate Placing:

Completion of the General Mandate Placing will take place on the second Business Day immediately after the day on which the conditions that (i) the GEM Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the General Mandate Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent) and (ii) all requisite consents or confirmations of no objection (if necessary) or filings at, any governmental or competent authorities (including without limitation SFC) for the General Mandate Placing having been obtained by the Company from any third parties or effected by the Company, are fully satisfied.

The General Mandate Placing is conditional upon the above conditions being fulfilled on or before 2 August 2007, being the Placing Longstop Date. If the conditions to the General Mandate Placing are not fulfilled by the Placing Longstop Date, the General Mandate Placing will lapse.

Mandate to allot and issue new Shares:

The General Mandate Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution passed by the Shareholders at the Company's annual general meeting held on 15 June 2007. The Directors were authorised to allot and issue up to 70,592,000 Shares pursuant to the General Mandate. As at the date of this announcement, the Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate prior to the date of the Placing and Subscription Agreement.

Ranking of the General Mandate Placing Shares

The General Mandate Placing Shares will rank equally in all respects among themselves and with all other Shares in issue as at the date of allotment and issue of the General Mandate Placing Shares.

Placing Agent and placing fee:

The Placing Agent is Kim Eng Securities (Hong Kong) Limited. Under the Placing and Subscription Agreement, the placing agent is entitled to a placing fee. Assuming all the Vendor Placing Shares and the General Mandate Placing Shares are placed in full, the placing fees together with other related expenses payable by the Company would amount to approximately HK\$6.0 million.

The Directors (including the independent non-executive Directors) consider the placing fee to be fair and reasonable, determined on normal commercial terms and are in the best interests of the Company, as far as the Company and the Shareholders as a whole are concerned.

Independence of placees and placing agent:

To the best knowledge and belief of the Directors and having made all reasonable enquiry:

- (a) the Placing Agent and its ultimate beneficial owners, the proposed placees and their respective ultimate beneficial owners are independent of and not connected with the Vendor;
- (b) the Placees and the Placing Agent and their respective ultimate beneficial owners are independent of the Company and its connected persons;
- (c) to the best knowledge, information and belief of the Company, none of the Placing Agent, its beneficial owners, the proposed placees and their respective ultimate beneficial owners is a party acting in concert or presumed to be acting in concert with any of the Shareholders; and
- (d) none of the placees will become a substantial shareholder of the Company immediately following the Placing.

Further announcement in relation to the result of the Placing and Subscription will be made upon completion of the Placing and the Subscription.

THE SUBSCRIPTION

The Subscription is provided under the Placing and Subscription Agreement dated 23 July 2007 entered into between the Vendor, the Company and the Placing Agent.

Subscriber: The Vendor

Issuer: The Company

Number of Subscription Shares:

The Company has agreed to allot and issue and the Vendor has agreed to subscribe for 56,900,000 Shares (the number of which is equal to the number of Vendor Placing Shares), representing 16.12% of the existing issued share capital of the Company as at the date of this announcement or approximately 13.43% of the issued share capital as enlarged by the allotment and issue of the General Mandate Placing Shares and the Subscription Shares pursuant to the Subscription.

Subscription price:

HK\$2.79 per Subscription Share, which is the equivalent of the purchase price per Placing Share. The Company, however, will bear all costs, fees and expenses borne by the Vendor in connection with the Vendor Placing as the entire purpose of the Vendor Placing is to facilitate the fund-raising by the Company.

Mandate to allot and issue new Shares:

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution passed by the Shareholders at the Company's annual general meeting of the Company held on 15 June 2007. The Directors were authorised to allot and issue up to 70,592,000 Shares pursuant to the General Mandate. As at the date of this announcement, the Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate prior to the date of the Placing and Subscription Agreement.

Ranking of the Subscription Shares:

The Subscription Shares will rank equally in all respects among themselves and with all other Shares in issue as at the date of allotment and issue of the Subscription Shares.

Conditions of the Subscription:

The Subscription is conditional upon the following conditions being fulfilled on or before the Subscription Longstop Date:

- (a) the GEM Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Subscription Shares (either unconditionally or subject to conditions which are acceptable to the Company);
- (b) completion of the Placing pursuant to this Placing and Subscription Agreement; and
- (c) (if so required) the Executive Director of the Corporate Finance Division of the SFC granting a waiver to the Vendor to the effect that neither the Vendor nor any party acting in concert (as defined in the Takeovers Code) with it will be obliged to make a general offer for the Shares under the Takeovers Code as a result of the transaction contemplated by this Placing and Subscription Agreement; and
- (d) all requisite consents or confirmations of no objection (if necessary) or filings at, any governmental or competent authorities for the Subscription having been obtained by the Company from any third parties or effected by the Company.

None of the above conditions can be waived by the parties to the Placing and Subscription Agreement.

Assuming that the Placing Shares (comprising both the Vendor Placing Shares and the General Mandate Placing Shares) are fully placed under the Placing, the shareholding of the Vendor and parties acting in concert with it will decrease from approximately 16.12% to 0% immediately after completion of the Vendor Placing and will increase to approximately 13.43% immediately after completion of the Placing and Subscription.

Completion of the Subscription:

Completion of the Subscription will take place on the second business day following the day on which the conditions referred to under the heading "Conditions of the Subscription" above are fulfilled.

If the conditions to the Subscription are not fulfilled by 2 August 2007, being the Subscription Longstop Date, the Subscription will lapse.

TERMINATION

Pursuant to the Placing and Subscription Agreement, the Placing Agent shall be entitled to terminate the Placing and Subscription Agreement at any time before completion of the Placing upon the occurrence of any of the following:

- (a) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Vendor or of the Company contained in the Placing and Subscription Agreement or any failure to perform any of the Vendor's or the Company's undertakings in the Placing and Subscription Agreement;
- (b) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- (c) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing and Subscription Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing.

Upon termination of the Placing and Subscription Agreement by the Placing Agent as mentioned above, all rights and obligations of the parties shall cease (other than certain provisions of the Placing and Subscription Agreement including those relating to indemnity and fees) and the Placing and the Subscription will lapse.

CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

Assuming the Placing Shares (comprising both the Vendor Placing Shares and the General Mandate Placing Shares) are fully placed under the Placing and assuming completion of the Subscription in accordance with the terms of the Placing and Subscription Agreement, the shareholding structure of the Company immediately before the Placing, immediately after the Vendor Placing but before the General Mandate Placing and the Subscription, immediately after the Vendor Placing and General Mandate Placing but before the Subscription, immediately after the Vendor Placing and the Subscription but before the General Mandate Placing and immediately after the Placing and the Subscription are as follows:

Shareholder	Existing shareholding (Note 1)		Immediately after the Vendor Placing but before the General Mandate Placing and the Subscription		Immediately after the Vendor Placing and General Mandate Placing but before the Subscription		Immediately after the Vendor Placing and the Subscription but before the General Mandate Placing		Immediately after the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lucky Team (Note 2)	56,900,000	16.12	0	0	0	0	56,900,000	13.88	56,900,000	13.43
Xu Bin (Note 3)	48,960,000	13.88	48,960,000	13.88	48,960,000	13.35	48,960,000	11.95	48,960,000	11.55
Sebastian (Note 4)	20,000,000	5.7	20,000,000	5.70	20,000,000	5.45	20,000,000	4.88	20,000,000	4.73
Public Shareholders										
Places	-	-	56,900,000	16.2	70,592,000	19.25	56,900,000	13.88	70,592,000	16.67
Other shareholders	227,100,000	64.3	227,100,000	64.30	227,100,000	61.95	227,100,000	55.41	27,100,000	53.62
Sub-total:	227,100,000	64.3	284,000,000	80.42	297,692,000	81.20	284,000,000	69.29	262,592,000	70.29
Total	<u>352,960,000</u>	<u>100.00</u>	<u>352,960,000</u>	<u>100.00</u>	<u>366,652,000</u>	<u>100.00</u>	<u>409,860,000</u>	<u>100.00</u>	<u>423,552,000</u>	<u>100.00</u>

Notes:

1. The number of existing Shares held by the Shareholders is based on the register of members of the Company as at 23 July 2007.
2. Lucky Team is a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Mak Shiu Chung, Godfrey, an executive director of the Company. There is no connection between Lucky Team and Sebastian.

3. To the best knowledge and belief of the Directors and having made all reasonable enquiry, this party is independent of and not connected with the directors, chief executives, substantial shareholders or management shareholders of the Company or any associate of them and this party does not have any management role in the Company.
4. Sebastian is a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Yan Daniel X.D., the chairman and an executive director of the Company. To the best knowledge and belief of the Directors and having made all reasonable enquiry, there is no connection between Sebastian and Lucky Team.

As disclosed in the above shareholding table, immediately after the completion of the Placing as well as immediately after the completion of the Placing and the Subscription, a minimum of 25% of the then issued share capital of the Company will be in public hands.

REASONS FOR THE GENERAL MANDATE PLACING AND THE SUBSCRIPTION

The Directors consider that it is in the interests of the Company to raise capital from the equity market in order to maintain the cashflow position of the Group and to enhance the capital and shareholders' base of the Company. The Directors (including the independent non-executive Directors) consider the terms of the Placing and Subscription Agreement to be fair and reasonable and are in the best interests of the Company, as far as the Company and the Shareholders as a whole are concerned.

USE OF PROCEEDS

The gross proceeds and the estimated net proceeds of the Subscription and the General Mandate Placing are approximately HK\$197 million and HK\$191 million respectively. The net proceeds will be applied as to HK\$51.5 million by the Group for investment in building a new production plant of large plastic woven bags and the balance of HK\$139.5 million for potential coal investments in the PRC. As at the date of this announcement, the Group has commenced construction of the production plant. Further announcement will be made in the future if such construction would constitute a notifiable transaction. As at the date of this announcement, the Group has also engaged in preliminary discussions on some of the potential coal investments but it has not entered into any agreement in respect of the same. The Company will disclose details of its investment by way of an announcement if it enters into any agreement in respect of the investment in the future, in accordance with the requirements of the GEM Listing Rules.

POTENTIAL COAL INVESTMENTS IN THE PRC

As at the date of this announcement, the Group intends to engage in coal investments business in the PRC. The Company has been approached by several coal mining ventures both in the PRC and overseas for co-operative venture opportunities but has not entered into any agreement for such potential investments. No specific details as to the size and location of these possible investments have been discussed. Such intentions to engage in coal investments business in the PRC have not been announced prior to the Placing. Further announcement will be made in the future if such investment arises in accordance with the GEM Listing Rules.

GENERAL INFORMATION

The Group is principally engaged in the production and sale of plastic woven bags and the provision of transportation technology solution in the PRC. The Group intends to engage in coal investment business together with its existing business activities if such expansion in business scope is approved by the Shareholders at the extraordinary general meeting of the Company to be held in August 2007.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Date of agreement	Nature of transaction	Purchaser/ Subscriber/ Underwriter	Net Amount raised	Number of Shares issued	Approximate % of the total issued share capital of the Company as at the then date of agreement	Intended use of proceeds	Actual use of proceeds
15 May 2007	Placing of existing Shares and subscription of new Shares	Lucky Team	HK\$82.85 million	56,900,000 Shares	19.2%	(i) approximately HK\$77.85 million for potential natural resources investment in the PRC and (ii) the balance of approximately HK\$5 million for general working capital	approximately HK\$0.5 million for general working capital and the balance of HK\$82.35 million remains unused

The balance of the unused proceeds of HK\$82.35 million is planned to be used for its two joint venture projects (subject to approval by the shareholders) in relation to the sale and purchase, and distribution of coal in the PRC, details of which are set out in the Company's major transaction circular dated 12 July 2007.

APPLICATION FOR LISTING

Application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the General Mandate Placing Shares and the Subscription Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM was suspended from 9:30 a.m. on Tuesday, 24 July 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on Thursday, 26 July 2007.

DEFINITIONS

The following defined terms are used in this announcement:

“Associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules.
“Business Day”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for business.
“GEM”	Growth Enterprise Market of the Stock Exchange.
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM.
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by the Shareholders by a resolution passed at the annual general meeting of the Company held on 15 June 2007
“General Mandate Placing”	the placing of the General Mandate Placing Shares by the Placing Agent on behalf of the Company upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.
“General Mandate Placing Shares”	up to 13,692,000 new Shares to be placed by or on behalf of the Placing Agent as agent of the Company pursuant to this Agreement.
“Group”	the Company and its subsidiaries.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“Lucky Team”	Lucky Team International Limited, a company incorporated in the British Virgin Islands with limited liability, which is beneficially owned by Mr. Mak Shiu Chung, Godfrey, an executive director of the Company
“Placee(s)”	the subscriber(s) or purchaser(s) of the Placing Shares which the Placing Agent will procure pursuant to and in accordance with this Agreement.
“Placing”	the placing of the General Mandate Placing Shares and the Vendor Placing Shares by the Placing Agent pursuant to Clause 2 upon the terms and subject to the conditions set out in this Agreement.

“Placing Agent”	Kim Eng Securities (Hong Kong) Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealing in securities) regulated activities.
“Placing and Subscription Agreement”	the Placing and Subscription Agreement dated 23 July 2007 and entered into between the Vendor, the Company and the Placing Agent.
“Placing Longstop Date”	the date falling 10 days after the date of the Placing and Subscription Agreement (or such later time and date as may be agreed by the Placing Agent, the Vendor and the Company in writing).
“Placing Price”	HK\$2.79 per Placing Share.
“Placing Shares”	the General Mandate Placing Shares and the Vendor Placing Shares, or any of them.
“SFC”	Securities and Futures Commission of Hong Kong.
“Shares”	shares of HK\$0.10 each in the capital of the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to Clause 3 upon the terms and subject to conditions set out in this Agreement.
“Subscription Completion Date”	the second Business Day immediately after the date of fulfillment of all the conditions referred to in Clause 3.2.
“Subscription Longstop Date”	the date falling 10 days after the date of the Placing and Subscription Agreement (or such later time and date as may be agreed by the Placing Agent, the Vendor and the Company in writing) “Subscription Price” a price per Subscription Share in Hong Kong dollars equivalent to the Placing Price.
“Subscription Shares”	such number of new Shares as is equivalent to the aggregate number of Vendor Placing Shares sold to the Placees under the Vendor Placing, up to a maximum number of 56,900,000 Subscription Shares.
“subsidiary”	has the meaning ascribed thereto it in section 2 of the Companies Ordinance.
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Vendor Placing” the placing of the Vendor Placing Shares by the Placing Agent on behalf of the Vendor upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

“Vendor Placing Shares” up to a total of 56,900,000 Shares beneficially owned by the Vendor to be placed by the Placing Agent as agent of the Vendor pursuant to this Agreement.

By order of the Board
DeTeam Company Limited
Mak Shiu Chung, Godfrey
Executive Director

Hong Kong, 25 July 2007

** for identification purpose only*

As at the date of this announcement, the board of directors of the Company comprises seven Directors, of which Mr. Yan, Daniel X.D., Mr. Mak Shiu Chung, Godfrey, Mr. Zhang Chao Liang and Mr. Wang Hon Chen are executive Directors; Mr. Yang Xiaoping, Mr. Kwok Chi Shing and Mr. Tsang Wai Sum are independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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 Announcement” page of the GEM website at www.hkgem.com for a minimum period of seven days from the day of its posting.