

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

DeTeam Company Limited

弘海有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 65)

MEMORANDUM OF UNDERSTANDING IN RELATION TO POTENTIAL ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF SHINE SHIVEE LLC

RESUMPTION OF TRADING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

MOU IN RESPECT OF THE PROPOSED ACQUISITION

The Board is pleased to announce that on 20 July 2010, the Purchasers (one of whom is a wholly-owned subsidiary of the Company) and the Vendors entered into the MOU in respect of the acquisition of the entire issued share capital of the Target Company.

SUSPENSION AND RESUMPTION OF TRADING

Dealings in the shares of the Company on the Stock Exchange have been suspended at the request of the Company with effect from 9:30 a.m. on Tuesday, 20 July 2010 pending the release of this announcement. Application has been made by the Company for the resumption of dealings in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on Wednesday, 21 July 2010.

MOU IN RESPECT OF THE PROPOSED ACQUISITION

The Board is pleased to announce that on 20 July 2010, the Purchasers and the Vendors entered into the MOU in respect of the acquisition of the entire issued share capital of the Target Company. Details of the MOU as summarized as follows:

Date

20 July 2010

Parties

(a) The Vendors (being Lavison LLC and MJGT Inc.)

- (b) The Purchasers (being Top Globe, a wholly-owned subsidiary of the Company and China Guangcai Group). Top Globe and China Guangcai Group have agreed in principle to cooperate together to acquire the Target Company but no specific terms of cooperation have been agreed at this stage. A further announcement will be made by the Company in respect of the terms of such cooperation as required under the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendors and China Guangcai Group and their respective ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Proposed Acquisition

The Target Company currently holds 7 exploration licenses over the Mines. The Purchasers desire to acquire interests in the Mines through the acquisition of the entire issued share capital of the Target Company.

Purchase consideration

Subject to adjustment to be agreed between the Purchasers and the Vendors in the definitive share purchase agreement, the consideration for the purchase of the 100% issued share capital of the Target Company is US\$10.0 million payable in cash.

Sale and purchase agreement and conditions precedent

The parties expect to enter into a definitive share purchase agreement no later than 1 December 2010.

The Purchasers' obligations to acquire the entire issued share capital of the Target Company at the closing would be subject to the satisfaction (and/or waiver) of customary conditions precedent, including, inter alia, satisfactory completion of the financial and legal due diligence review by the Purchasers of the Target Company, the Vendors and the Mines and that the Purchasers are satisfied that the combined resources within the licensed areas of the Mines are no less than 2,144 million tonnes of coal which meet certain technical requirements agreed between the parties.

Exclusive term

The MOU will be effective from signing until 1 December 2010. During this period, the Vendors, the Target Company and each of their affiliates agree to negotiate and work exclusively with the Purchasers with respect to any proposed investment in the Mines or the Target Company.

Binding effect

The MOU is not legally binding or enforceable, save for the terms relating to the exclusivity period, confidentiality, expenses, the exclusivity, governing law and dispute resolution in the MOU.

The Board wishes to emphasize that the Proposed Acquisition is subject to the signing of a formal agreement for the sale and purchase of the entire issued share capital of the Target Company, the terms and conditions of which are yet to be agreed. As the Proposed Acquisition may or may not proceed, Shareholders and potential investors are urged to exercise caution when dealing in the Shares. If the Proposed Acquisition materializes, it may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement in respect of the Proposed Acquisition will be made by the Company should any formal agreement be entered into as and when appropriate in accordance with the Listing Rules.

INFORMATION ON THE TARGET COMPANY, THE MINES AND CHINA GUANGCAI GROUP

Target Company and the Mines

Based on information currently made available to the Company, the Company is aware of the following in respect of the Target Company and the Mines:

The Target Company was established in 2006 and owns 7 exploration licenses over the Mines, a Mongolian Shivee-Ovoo brown coal deposit over a total area of 77,410 hectares. It is estimated that the combined resources within the licensed area is around 2144 million tonnes of coal.

The Shivee-Ovoo coal deposit is located 260km southeast to Ulaanbaatar inside the Dornogovi province of Mongolia and it is 20km from Choir city which is the centre of Dornogovi province of Mongolia. The coordinates of the centre of the licensed area of the Target Company is east longitude 108°33' and north latitude 46°1'. The Shivee-Ovoo coal deposit is strategically located in a railway passage from Russia to China (Trans-Mongolian Railway) and the rail passes through the centre of this area. Highway A0101 Ulaanbaatar to Zamiid Uud also runs through the Choir city station.

According to certain public information available about the “China-Mongolia Energy Cooperation-Power Development and Cross-Country Transmission Project”, the Mongolian and PRC governments plan to cooperate to build new power plants over certain government controlled area in the vicinity of the licensed area of the Target Company with a view to generate power for transmission to China.

China Guangcai Group

Based on information currently made available to the Company, China Guangcai Group is principally engaged in investment in energy development and infrastructure projects.

SUSPENSION AND RESUMPTION OF TRADING

Dealings in the shares of the Company on the Stock Exchange have been suspended at the request of the Company with effect from 9:30 a.m. on Tuesday, 20 July 2010 pending the release of this announcement. Application has been made by the Company for the resumption of dealings in the shares of the Company on the Stock Exchange with effect from 9:30 a.m. on Wednesday, 21 July 2010.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China Guangcai Group”	China Guangcai Programme Investment Group Int. Co., Limited, a company incorporated in Hong Kong with limited liability
“Company”	DeTeam Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mines”	certain Mongolian Shivee–ovoo brown coal deposits with a total area of 77,410 hectares in Mongolia and owned by the Target Company
“MOU”	the memorandum of understanding dated 20 July 2010 entered into by the Purchasers and the Vendors in respect of the Proposed Acquisition
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of the entire share capital of the Target Company by the Purchasers from the Vendors

“Purchasers”	Top Globe and China Guangcai Group
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shine Shivee LLC, a company established under the laws of Mongolia
“Top Globe”	Top Globe Resources (China) Limited, a company established under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Vendors”	Lavison LLC of UB City Chingeltei District 1-r Khoroo Baga Toiruu Street 3-9 304 and MJGT Inc. of UB city SB district 1-r khoroo Olympic street 9B-23, the existing shareholders holding 60% and 40% of the equity interests of the Target Company respectively

* *For identification purpose only*

By order of the Board
DeTeam Company Limited
Mak Shiu Chung, Godfrey
Co-Chairman

Hong Kong, 21 July 2010

As at the date of this announcement, the Board comprises Executive Directors, being Mr. Mak Shiu Chung, Godfrey, Mr Xu Bin, Mr. Zhang Chao Liang, Mr. Wang Hon Chen and Independent Non-Executive Directors Mr. Kwok Chi Shing, Mr. Tsang Wai Sum, Mr. Yu Yang.