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**ANGELS**

**ANGELS TECHNOLOGY COMPANY LIMITED**

**英君技術有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8112)

- (1) PROPOSED VERY SUBSTANTIAL ACQUISITION – ACQUISITION OF THE ENTIRE EQUITY INTEREST IN CHANGCHUN YICHENG PACKAGING COMPANY LIMITED**
- (2) PROPOSED CHANGE OF NAME**

#### **Summary**

**(1) Proposed Very Substantial Acquisition**

The Board is pleased to announce that on 25 April, 2006, the Group entered into the Acquisition Agreement with the Vendors pursuant to which, among other things, the Group conditionally agreed to purchase from the Vendors the Sale Interest representing 100% of the equity interest in Changchun Yicheng for an aggregate cash consideration of HK\$10.0 million.

Changchun Yicheng is principally engaged in the production and sale of plastic woven bags, paper bags, paper tubes and bearings in the PRC. It caters mainly for customers in the agricultural and biochemical industries.

The Directors believe that the Acquisition is in the interest of the Company as it will improve the financial performance of the Group.

The Acquisition Agreement is conditional upon the fulfilment of certain conditions precedent which includes, among other things, the approval of the Shareholders of the Acquisition at the EGM as the Acquisition constitutes a very substantial acquisition of the Company under the GEM Listing Rules. Details of the Acquisition Agreement are set out in this announcement.

A circular containing, among other things, details of the Acquisition Agreement, the financial information relating to Changchun Yicheng as well as the Enlarged Group will be despatched to the Shareholders as soon as possible. This transaction is subject to Shareholders' approval and a notice of EGM will be included with the circular of the Shareholders.

Completion of the Acquisition Agreement is subject to, among other things, due and full compliance with certain terms and conditions set out in the Acquisition Agreement and is therefore conditional.

**(2) Proposed Change of Name**

To reflect the Group's new business strategy to diversify into other business areas, the Board proposes to change the name of the Company to "DeTeam Company Limited" and to adopt "弘海有限公司", for the purpose of identification only, as the new Chinese name of the Company.

Shareholders and/or investors should note that the proposed Acquisition may or may not proceed. Accordingly, Shareholders are therefore advised to exercise caution when trading in the Shares.

Trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 26 April, 2006 at the request of the Company pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 2 May, 2006.

**PROPOSED VERY SUBSTANTIAL ACQUISITION**

**A. Acquisition Agreement**

**Summary of the Acquisition**

Date: 25 April, 2006

Parties: Vendors: Changchun Dacheng Xin Zi Yuan Group Co., Ltd. (長春大成新資源集團有限公司), Li Jingzhong (李景中) and Wang Hongchen (王洪臣). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and the ultimate beneficial owner of Changchun Dacheng Xin Zi Yuan Group Co., Ltd. are Independent Third Parties not connected with the Company or any of its subsidiaries and its connected persons (as defined in the GEM Listing Rules). Changchun Dacheng Xin Zi Yuan Group Co., Ltd. is an investment holding company owned by Independent Third Parties.

Purchaser: East Harvest International Limited, a wholly-owned subsidiary of the Company

Asset to be acquired: The Purchaser has agreed to purchase from the Vendors the Sale Interest representing 100% of the equity interest in Changchun Yicheng held by the Vendors.

Consideration: The aggregate consideration payable by the Purchaser under the Acquisition Agreement is HK\$10.0 million. The Consideration has been determined based on arm's length

negotiations between the Company and the Vendors and on normal commercial terms with reference to the net profit after tax of approximately RMB1.75 million and the net asset value of approximately RMB9.66 million of Changchun Yicheng for the year ended 31 December, 2005.

The Consideration will be settled in cash and in one lump sum by the Purchaser on Completion.

The Consideration for the Acquisition will be satisfied in cash from the Group's internal resources in the amount of approximately HK\$3.0 million and the proceeds of a new placement of Shares to Independent Third Part(ies) in respect of the remaining HK\$7.0 million of the Consideration. The Company is involved in discussions with various parties in relation to the possible placement of Shares. However, no definitive agreements have been reached with any of these parties at this stage. Shareholders and investors should note that such placement of Shares may or may not proceed. The Company will make appropriate disclosures when definitive agreements have been entered into with respect to the placement of Shares in accordance with GEM Listing Rules.

Conditions precedent:

The Purchaser's purchase obligation under the Acquisition Agreement is conditional on, among other things, fulfilment (or where appropriate, waiver) of the following conditions:

- (a) the undertakings by the Vendors contained in the Acquisition Agreement being true and accurate in all respects;
- (b) each of the Vendors having fully performed and observed all the obligations, covenant guarantees, undertakings, agreements and conditions that are required to be performed at or prior to the Completion;
- (c) at the Completion, there shall have been no valid order or law which would restrict or prohibit the completion of the Acquisition Agreement or any transactions which are contemplated by any ancillary agreements, or which might be reasonably expected to cause material harm in any other manners to the interest of the Purchaser under the Acquisition Agreement or the ancillary agreements. In addition, there shall have no litigation, legal proceeding or other action, statement or refusal pending or likely to arise that is taken or accepted by the government authority, which might be reasonably expect to give rise to the above order, or to formulate or promulgate the above law that is against or may be deemed to be against the Purchaser, Changchun Yicheng or the Acquisition Agreement or the transaction contemplated by the ancillary agreements;

- (d) the approval certificate shall have been obtained from the relevant PRC approval authority in respect of the equity transfer, and such approval certificate shall not be subject to the satisfaction of any condition that has not been fulfilled or waived; and
- (e) the approval shall have been obtained from the shareholders of the Company (or the independent shareholders of the Company if required by the GEM Listing Rules) in connection with the Acquisition.

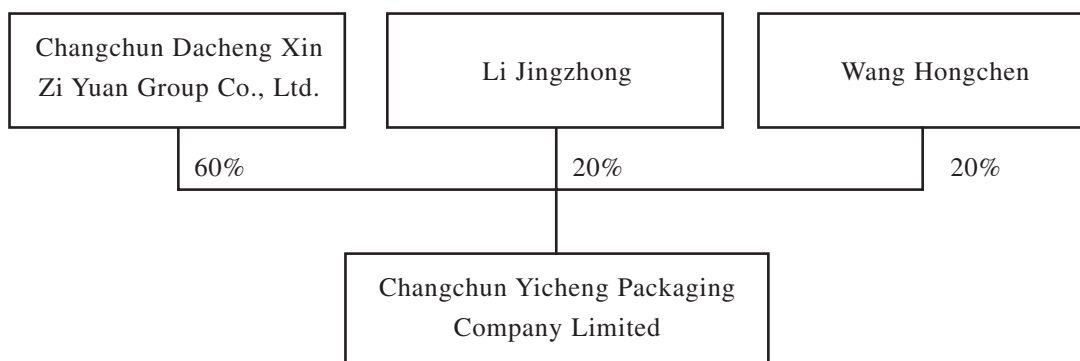
If the conditions precedent are not fulfilled by 1 December, 2006, the Acquisition Agreement shall be terminated and cease to have effect. The Purchaser may waive the conditions precedent set out in (a) and (b) above.

**Completion:** The Acquisition Agreement provides that Completion shall take place on the fifth business day after the fulfillment (or waiver) of the conditions precedent under the Acquisition Agreement.

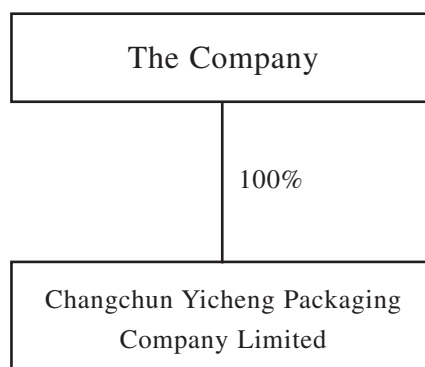
**B. Shareholding and Group Structure of Changchun Yicheng**

The following diagrams illustrate the shareholding structure of Changchun Yicheng as at the date of this announcement and immediately after Completion.

**As at the date of this announcement**



**Immediately after Completion**



### C. Information on Changchun Yicheng

Changchun Yicheng is a limited liability company incorporated in the PRC. The principal business of the Changchun Yicheng is the production and sale of plastic woven bags, paper bags, paper tubes and bearings. Changchun Yicheng was established in 1999 and commenced full scale production in 2002. The operations of Changchun Yicheng is situated at San Jian Village, Hexin Xiang, Luyuan District, Changchun, Jilin Province, the PRC. Since its establishment in 1999, Changchun Yicheng has become one of the largest plastic woven bags manufacturer in Jilin Province, PRC.

Changchun Yicheng manufactures over 50 varieties of plastic woven bags catering to its customers, which comprise mainly manufacturers of corn modified products, animal feed products and amino acid products. It has over 200 machineries for plastic spinning, plastic cover making, knitting and bags closing. Changchun Yicheng owns a parcel of land in the Jilin Province, PRC having a site area of approximately 17,461 square metres on which its factories and operations are situated.

Changchun Yicheng currently has 425 employees, comprising 372 production staff and 52 management staff. The Vendors are not involved in the management of Changchun Yicheng, except Wang Hongchen (王洪臣) who is the general manager of Changchun Yicheng. The general manager and the deputy general managers are the key persons that oversee the operations of Changchun Yicheng, including product development, production process and technical and safety management. The general manager and the deputy manager have been under the employ of Changchun Yicheng since 2002. Wang Hongchen (王洪臣) and the deputy general manager will remain as employees of Changchun Yicheng after the completion of the Acquisition.

#### Financial information of Changchun Yicheng

The table below sets out the audited financial information of Changchun Yicheng for the years ended 31 December, 2004 and 31 December, 2005 prepared in accordance with PRC generally accepted accounting principles:

	Year ended 31 December, 2004 <i>RMB'000</i>	Year ended 31 December, 2005 <i>RMB'000</i>
Turnover	40,957	68,531
Profit/(loss) before taxation	(585)	1,750
Profit (loss) after taxation	(585)	1,750
Net assets	914	9,664

### D. Reasons for the transaction

As at 31 December 2005, the Group had capital deficiency of HK\$7,437,000, reported a loss attributable to Shareholders of HK\$8,948,000 and a net cash outflow from operating activities of HK\$4,243,000 for the year ended 31 December 2005. At the same time, the Group is facing more competition in the business of the Company which has a negative impact on the gross profit margin of the Group. Comparatively, Changchun Yicheng is a profitable growing company with positive cashflow and net assets.

The Board decided to invest in Changchun Yicheng in order to improve the financial performance and position of the Group and to maximize the returns to the Group and Shareholders as a whole. Customers of Changchun Yicheng are in relatively high growth and yield industries in the PRC, and this will enhance the growth prospects of the Group.

The management of Changchun Yicheng will remain unchanged after the completion of the Acquisition and will be required to report to the Board. The Board possesses substantial experience in business development and investments, and to manage growing companies such as Changchun Yicheng. In addition, Mak Shiu Chung, Godfrey, one of the executive directors of the Company possesses extensive expertise and knowledge in the woven textile business, the operations of which are similar in nature to the business of Changchun Yicheng (albeit of a different raw material).

After the Acquisition, the Group will continue to be involved in expressway mechanical and electrical engineering projects as well as other information technology related projects. Through the Acquisition, the Directors believe that Changchun Yicheng will provide solid business growth, and contribute positive cashflow and profits, to the Group as a whole.

#### **E. Information on the Company**

The Group is principally engaged in the provision of transportation technology solutions in respect of toll collection, traffic surveillance, optical fibre road network communication, power supply systems for highways in the PRC. The Group is also engaged in the research and development of new products in the information technology industry.

#### **F. General**

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules and is subject to the approval of the Shareholders at the EGM. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Vendors and the ultimate beneficial owner of Changchun Dacheng Xin Zi Yuan Group Co., Ltd. are Independent Third Parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates. On this basis, and to the best knowledge, information and belief of the Directors, the Directors believe that no Shareholder has a material interest in the Acquisition and hence, no Shareholder should be required to abstain from voting at the EGM to approve the Acquisition.

A circular containing, inter alia, further particulars of the Acquisition, the financial information relating to Changchun Yicheng as well as the Enlarged Group and notices convening the EGM will be sent to the Shareholders as soon as possible.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition and the Acquisition Agreement are fair and reasonable so far as the Company and the Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

Completion of the Acquisition Agreement is subject to, among other things, due and full compliance with certain terms and conditions set out in the Acquisition Agreement and is therefore conditional.

## **PROPOSED CHANGE OF NAME**

In order to improve the financial performance and position of the Group and to maximize the returns to the Group and the Shareholders as a whole, the Board considers it necessary and appropriate to, in addition to optimizing its operation in the existing business, diversify its existing business into the business of Changchun Yicheng which caters mainly to customers in the agricultural and biochemical industries, both industries of relatively high growth and yield.

To reflect the above new business strategy, the Board proposes, upon approval by the Shareholders at the EGM, and subject to and conditional upon the approval by the Registrar of Companies in the Cayman Islands, to change the name of the Company to “DeTeam Company Limited”. The Company will also, upon the said change of name becoming effective, adopt “弘海有限公司”, for the purpose of identification only, as the new Chinese name of the Company.

Subject to the fulfillment of the aforesaid condition, the change of the Company name shall take effect from the date on which the special resolution approving the change of name is passed by the Shareholders. The Company will carry out the necessary filing procedures with the relevant authorities in the Cayman Islands and (if appropriate) Hong Kong.

The existing share certificates of the Company under the name of “Angels Technology Company Limited” shall, after the proposed change of name becoming effective, continue to be evidence of title to the Shares and will be valid for trading, settlement and delivery for the same number of Shares in the new name of the Company. As such, no arrangement will be made for the exchange of the existing share certificates of the Company as a result of the proposed change of name of the Company. Once the change of name has become effective, any new share certificates of the Company will be issued in the new name of the Company.

A further announcement will be made by the Company to inform the Shareholders the result of the EGM and the effective date of the change of name of the Company.

## **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 26 April 2006 at the request of the Company pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 2 May, 2006.



## DEFINITIONS

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

“Acquisition”	the Acquisition Agreement and all transactions contemplated thereunder
“Acquisition Agreement”	the conditional acquisition agreement dated 25 April, 2006 between the Vendors and the Purchaser relating to the acquisition of the Sale Interest
“Business Day”	a day (excluding Saturdays) on which banks are open for general banking business in Hong Kong and the PRC
“Board”	the board of directors of the Company
“Changchun Yicheng”	長春益成包裝有限公司 Changchun Yicheng Packaging Company Limited, a company incorporated with limited liability under the laws of the PRC
“Company”	Angels Technology Company Limited, an exempted company incorporated in the Cayman Islands, the issued Shares of which are listed on GEM
“Completion”	completion of the Acquisition Agreement
“Consideration”	the aggregate consideration of HK\$10.0 million under the Acquisition Agreement
“Directors”	the directors of the Company
“EGM”	extraordinary general meeting of the Company
“Enlarged Group”	the Group upon Completion
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong



“Independent Third Party”	a party which is independent of and not connected with any of the directors, chief executives, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules)
“PRC”	the People’s Republic of China
“Purchaser”	East Harvest International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	representing 100% of the equity interest in Changchun Yicheng
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange	The Stock Exchange of Hong Kong Limited
“Vendors”	Changchun Dacheng Xin Zi Yuan Group Co., Ltd. (長春大成新資源集團有限公司), Li Jingzhong (李景中) and Wang Hongchen (王洪臣), who are all Independent Third Parties

*No representation is made that any amounts in RMB could have been or could be converted at that rate or at any other rate.*

By Order of the Board  
**ANGELS TECHNOLOGY COMPANY LIMITED**  
**Mak Shiu Chung, Godfrey**  
*Executive Director*

28 April, 2006, Hong Kong

*This announcement, for which the Directors of the Company 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 inquiries, confirm that, to the best of their knowledge and belief; (a) the information contained in this announcement is accurate and complete in all material respects and not misleading, (b) there are no other matters the omission of which would make any statement in this announcement misleading, and (c) 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.*

*At the date of this announcement, the board of directors of the Company comprises:*

**Executive Directors**

Mr Yan Daniel X.D.

Mr. Mak Shiu Chung, Godfrey

Mr. Lau, Andrew Kim

**Independent Non-Executive directors**

Mr. Yang Xiaoping

Mr. Zhao Ming

Mr. Kwok Chi Shing

*This announcement will remain on the GEM website [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting.*