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## **DeTeam Company Limited**

**弘海有限公司\***

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

(Stock Code: 65)

### **ANNOUNCEMENT FRAMEWORK COOPERATION AGREEMENT**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 11 July 2012, Beijing Guochuan, an indirect wholly-owned subsidiary of the Company entered into the Framework Cooperation Agreement with China Railway Resources, pursuant to which Beijing Guochuan and China Railway Resources agreed to co-operate in the establishment of a production facility for upgrading low-rank coal with an annual capacity of not less than 2,000,000 tonnes of upgraded coal.

The Company will keep the Shareholders and potential investors informed of any material development in connection with the cooperation.

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#### **THE FRAMEWORK COOPERATION AGREEMENT**

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Under the Framework Cooperation Agreement, Beijing Guochuan will (a) establish a project company for the construction of the production facility at the premise of Manglai Mining; (b) provide low-rank coal upgrading technology; and (c) make capital contributions to the establishment and operation of the production facility. China Railway Resources will (a) co-ordinate with its subsidiary for the provisions of low-rank coal to the project company and railway transportation service of upgraded coal to customers; and (b) subject to market conditions, directly or indirectly acquire certain equity interest in the project company.

The cooperation period for the Framework Cooperation Agreement will be one year from the date of the Framework Cooperation Agreement.

## **INFORMATION ABOUT THE PARTIES AND REASONS FOR ENTERING INTO THE FRAMEWORK COOPERATION AGREEMENT**

The Group is principally engaged in the production and sale of plastic woven bags and the trading of coal in the PRC.

Beijing Guochuan is an indirect wholly-owned subsidiary of the Company and is principally engaged in technology development as well as the provision of technology consulting and promotion services in the PRC. Pursuant to the licensing agreement dated 18 May 2012, Beijing Guochuan and its affiliates have the right to use and sub-license the patented low-rank coal upgrading technology for a three-year period up to 17 May 2015. According to an announcement published by the Ministry of Science and Technology of the PRC in 2011, the low-rank coal upgrading technology had also been selected as one of the environmental projects of 2012's 863 Program.

To the best knowledge of the Directors, China Railway Resources is an indirect wholly-owned subsidiary of China Railway Group Limited, an integrated construction group and a Fortune Global 500 company. China Railway Resources is, to the best knowledge of the Directors, principally engaged in the exploration of mineral resources, technology development, investment management and investment consultation services.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, China Railway Resources and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Board considers that the cooperation with China Railway Resources will further promote the Company's coal trading and low-rank coal upgrading businesses and is in the interest of the Company and the Shareholders as a whole.

### **GENERAL**

The proposed cooperation is subject to, among other things, the entering into further agreements in relation to capital contributions to the project company, rights and obligations under the proposed cooperation, supply of low-rank coal and railway transportation services. The Company will keep the Shareholders and potential investors informed of any material development in connection with the establishment and operation of the production facility. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“863 Program”	the State High-Technology Development Plan in the PRC (國家高技術研究發展計劃), whose objective is to promote the development of advanced technologies in the PRC;
“Beijing Guochuan”	Beijing Guochuan New Energy Development Co., Ltd. <sup>†</sup> (北京國傳新能源開發有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“China Railway Resources”	China Railway Resources Investment Ltd. <sup>†</sup> (中鐵資源集團投資有限公司), a limited liability company established in the PRC;
“Company”	DeTeam Company Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the main board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Framework Cooperation Agreement”	the agreement dated 11 July 2012 entered into between Beijing Guochuan and China Railway Resources in relation to the establishment of a production facility for upgrading of low-rank coal;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Manglai Mining”	China Railway Resources Sonid Left Banner Manglai Mining Company Limited <sup>†</sup> (中鐵資源蘇尼特左旗芒來礦業有限公司), a limited liability company established in the PRC and an indirect subsidiary of China Railway Group Limited;
“PRC”	the People’s Republic of China;
“Share(s)”	shares of a nominal or par value of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

<sup>†</sup> denotes English translation of the name of a Chinese company, or vice versa, and is provided for identification purposes only

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

Hong Kong, 11 July 2012

*As at the date of this announcement, the executive Directors are Mr. Mak Shiu Chung, Godfrey, Mr. Xu Bin, Mr. Zhang Chao Liang and Mr. Wang Hon Chen, and independent non-executive Directors are Mr. Kwok Chi Shing, Mr. Tsang Wai Sum and Mr. Yu Yang.*

\* For identification purposes only