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This report, for which the directors (the "Directors") of DeTeam Company Limited (the "Company" and together with its subsidiaries, the "Group") collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprises Market (the "GEM") of the Stock Exchange (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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

DeTeam Company Limited

弘海有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8112)

FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2009

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

* For identification only

HIGHLIGHTS

- Turnover of the Group for the three months ended 31 March 2009 was approximately HK\$71,910,000 representing a decrease of approximately 5% as compared with the corresponding period in 2008.
- Net Profit of the Group for the three months ended 31 March 2009 was approximately HK\$12,066,000 representing an increase of approximately 21% as compared with the corresponding period in 2008.
- The Directors do not recommend payment of any dividend for the three months ended 31 March 2009.

RESULTS

The board of Directors (the "Board") hereby announces the unaudited consolidated results of the Group for the three months ended 31 March 2009, together with the unaudited comparative figures for the corresponding period in 2008 as follows:

Condensed Consolidated Income Statement – unaudited

	Notes	Three months ended 31 March	
		2009 HK\$'000	2008 HK\$'000
Turnover	2	71,910	75,959
Cost of sales		(50,361)	(60,844)
Gross profit		21,549	15,115
Other income		123	1,224
Selling and distribution expenses		(582)	–
Administrative expenses		(5,224)	(3,546)
Profit from operations		15,866	12,793
Finance Costs		(210)	(5)
Profit before tax		15,656	12,788
Income tax expense	3	(3,496)	(2,454)
Profit for the period		12,160	10,334
Attributable to:			
Equity holders of the Company		12,066	10,030
Minority Interests		94	304
		12,160	10,334
Earnings per share			
– Basic		2.85 cents	2.37 cents
– Diluted		N/A	N/A

Notes:

1. Basis of preparation

The accompanying unaudited consolidated results of the Group are prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The accounting policies adopted are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2008.

The consolidated results are unaudited but have been reviewed by the Company's audit committee in accordance with rule 5.30 of the Gem Listing rule.

2. Turnover

The Group's turnover which represents sales of plastic woven bags and barrels and sales of coal are as follows:

	Three months ended	
	31 March	
	2009	2008
	HK\$'000	HK\$'000
Sales of plastic woven bags and barrels	56,150	75,959
Sales of coal	15,760	–
	<u>71,910</u>	<u>75,959</u>

No geographical segment information is presented as substantially all the Group's turnover and contribution to operating results were derived from the PRC and substantially all customers and assets are located in the PRC.

3. Income tax expense

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable Hong Kong profits for the year ended 31 March 2009 (2008: HK\$Nil).

Under the Law of the People's Republic of China on Enterprise Income Taxes ("New Income Tax Law") with effect from 1 January 2008, the subsidiary, Changchun Yicheng Packaging Company Limited ("Changchun Yicheng") operating in the PRC, is subject to enterprise income tax rate of 25% on its taxable profit in accordance with New Income Tax Law. Pursuant to a notice issued by Changchun Green District State Tax Bureau (長春綠園國家稅務局), Changchun Yicheng is exempted from enterprise income tax from 1 May 2006 to 31 December 2007, followed by a 50% reduction for the next three years.

The subsidiary, Inner Mongolia Jinyuanli Underground Mining Company Limited ("Inner Mongolia Jinyuanli"), operating in the PRC, is subject to enterprise income tax rate of 25% on its taxable profit in accordance with the PRC Income Tax Law. No provision for enterprise income tax has been made as it has no assessable profit for the period.

The subsidiary, Jilin Province De Feng Commodity Economics and Trade Co., Limited ("De Feng") operating in the PRC, is subject to enterprise income tax rate of 25% on its taxable profit in accordance with the PRC Income Tax Law.

4. Dividend

The Directors do not recommend payment of any dividend for the three months ended 31 March 2009 (2008: Nil).

5. Earnings per share

Basic earnings per share

The calculation of basic earnings per share attributable to equity holders of the Company is based on the profit for the period ended 31 March 2009 attributable to equity holder of the Company of approximately HK\$12,066,000 (2008: HK\$10,030,000) and the weighted average number of ordinary shares of 423,552,000 (2008: 423,552,000) in issue during the period.

Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive ordinary shares during the period ended 31 March 2009 and 2008.

6. Reserves

	Issued Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Exchange Reserve HK\$'000	Retained Profits HK\$'000	Total HK\$'000
At 1 January 2009	42,355	307,239	(1,628)	16,060	33,940	397,966
Exchange Difference	-	-	-	398	-	398
Profit for the period	-	-	-	-	12,066	12,066
At 31 March 2009	42,355	307,239	(1,628)	16,458	46,006	410,430
	Issued Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Exchange Reserve HK\$'000	Accumulated Losses HK\$'000	Total HK\$'000
At 1 January 2008	42,355	307,239	(1,628)	6,070	(17,016)	337,020
Exchange Difference	-	-	-	63	-	63
Profit for the period	-	-	-	-	10,030	10,030
At 31 March 2008	42,355	307,239	(1,628)	6,133	(6,986)	347,113

7. Segment Information

No segment information is presented as at the period ended 31 March 2008 as all the Group's turnover and contribution to operating results were substantially derived from the plastic woven bags business.

An analysis of the Group's income and results for the three months ended 31 March 2009 are as follows:

Business segments

The Group is primarily engaged in the production and sales of plastic woven bags and barrels to customers and sales of coals in the PRC.

	Plastic woven bags and barrels <i>HK\$'000</i> (Unaudited)	Coal <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
REVENUE			
External revenue	<u>56,150</u>	<u>15,760</u>	<u>71,910</u>
RESULTS			
Segment results	16,101	634	16,735
Unallocated corporate revenue			56
Unallocated corporate expenses			<u>(925)</u>
Profit from Operation			15,866
Finance costs			<u>(210)</u>
Profit before tax			<u>15,656</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in production and sales of plastic woven bags and barrels to customers, and sales of coal in the PRC.

Financial and business review

The Group recorded a turnover of approximately HK\$71,910,000 for the three months ended 31 March 2009 representing a decrease of approximately 5% as compared with the corresponding period in 2008. A net profit of approximately HK\$12,160,000 was recorded for the three month ended 31 March 2009 as compared with a net profit of approximately HK\$10,334,000 for the three months ended 31 March 2008. The result of coal business as reflected in the segmental information included pre-operating expenses and excavation costs for underground coal mines approximately HK\$1.98 million and profit from distribution of coal from open-pit mine in the PRC of approximately HK\$2.61 million.

The excavation of the underground coal mine is in progress and a further capital contribution of approximately HK\$14,600,000 and HK\$23,635,000 (including HK\$12,271,000 mining right and HK\$11,364,000 capital contribution) has been made by our Group and Yuan Yuan respectively during the period.

Following the completion of acquisition in late August 2008, De Feng has generated a satisfactory level of profit and income for the Group during the three months period, De Feng will continue to seek valuable buyers in order to maximise profit.

Capital structure and material acquisition

During the three months ended 31 March 2009, there were no changes in the Company's authorized share capital.

The Group has no material acquisition or disposal of subsidiaries and affiliated companies during the three months ended 31 March 2009.

Prospects

Although the global financial turmoil have a slight negative impact to our Group's plastic woven bags business, Changchun Yicheng will continue to exercise stringent control in the manufacturing process and manpower in order to save the costs. At the same time, Changchun Yicheng will continue to boost sales in the large woven bags business and plastic barrels trading business.

The excavation of the underground coal mines is in progress and it is expected that the underground coal mines will start production by the end of this year.

The Company has submitted a formal application form to the Stock Exchange on 30 April 2009 for proposed transfer of listing of the Shares from Growth Enterprise market to main Board of the Stock Exchange. The Board believes that the listing of the Shares on the Main Board will enhance the profile of the Group and increase the trading liquidity of the Shares and provide a better market profile for the Group with institutional and retail investors. We consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2009, the interests and short positions of each Directors and Chief Executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 under the laws of Hong Kong) (the "SFO"), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(I) Interests in shares of the Company (Note 1)

Name	Number of ordinary shares				Percentage of issued share capital
	Personal interests (Note 2)	Corporate Interests	Family interests	Other interests	
Mak Shiu Chung, Godfrey	–	58,132,000(L) (Note 4)	–	–	13.72%
Tsang Wai Sum	192,000(L)	–	–	–	0.05%

Notes:

- As defined in section 311 of the SFO, a reference to interests in shares comprised in the relevant share capital of a listed corporation includes a reference to interests in shares so comprised, which are the underlying shares of equity derivatives.
- These interests are the same interests as those described in Section (II) below.
- The letter "L" denotes a long position in the shares.

4. These shares are beneficially owned by Lucky Team International Limited ("Lucky Team"), a company incorporated in the British Virgin Islands. By virtue of his 100% shareholding in Lucky Team, Mr. Mak Shiu Chung, Godfrey is deemed or taken to be interested in the 58,132,000 shares owned by Lucky Team.

(II) Interests in equity derivatives (as defined in the SFO) in, or in respect of, underlying shares

As at 31 March 2009, none of the Directors, Chief Executives of the Company or their associates had any interests in the shares or debentures of, or short positions in the shares of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were required to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company's existing share option scheme (the "Scheme") was adopted at the annual general meeting held on 25 April 2003. A summary of the principal terms of the Scheme is set out in the circular of the Company dated 31 March 2003.

Under the New Scheme, the Directors may, at their discretion, offer options to Participants (as defined in the circular of the Company dated 31 March 2003) to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

As at the extraordinary general meeting held on 26 August 2006, a resolution was passed to grant options under the Scheme to subscribe for up to 29,376,000 Shares, representing 10% of the then issue share capital of the Company. No share options under the Scheme were granted during the year.

As at the period ended 31 March 2009, there is no outstanding share option to be exercised under the New Scheme.

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period under review.

SUBSTANTIAL SHAREHOLDERS

Other than interests disclosed in the paragraph headed "Directors' interests and/or short positions in the shares, underlying shares and debentures of the Company or any associated corporations" above, as at 31 March 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO disclosed the following persons or corporations (other than the directors or chief executives of the Company) as having an interest of 5% or more of the issued share capital of the Company.

Name	Capacity/ Nature of interest	Number of Shares	Percentage of issued share capital
Lucky Team	Beneficial Owner	58,132,000 (L) <i>(Note 1)</i>	13.72%
Xu Bin	Beneficial Owner and Interest of spouse	50,960,000(L) <i>(Note 3)</i>	12.03%
Shao Ze Yun	Beneficial Owner and Interest of spouse	50,960,000 (L) <i>(Note 3)</i>	12.03%
Li Gui Yan	Beneficial Owner	35,100,000 (L) <i>(Note 2)</i>	8.29%

Notes:

1. 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.
2. To the best knowledge of the Directors, Ms. Li Gui Yan is a third party independent of and not connected with the Directors, chief executives, substantial shareholders or management shareholders of the Company or any associate of any of them.
3. Mr. Xu Bin is beneficially interested in 48,960,000 shares and is deemed to be interested in 2,000,000 shares by virtue of being a spouse of Ms. Shao Ze Yun.
4. Ms. Shao Ze Yun is beneficially interested in 2,000,000 shares and is deemed to be interested in 48,960,000 shares by virtue of being a spouse of Mr. Xu Bin.
5. The letter "L" denotes a long position in the shares.

Save as disclosed above, as at 31 March 2009, the Directors are not aware of any other persons who has interests and/or short positions in the shares, underlying shares and debentures of, the Company or any associated corporation (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the Section headed "Directors' and Chief Executive's Interests and Short Positions in the shares, Underlying Shares and Debentures of the Company or any Associated Corporations", as at 31 March 2009, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors and Chief Executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors and Chief Executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

COMPETING INTEREST

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance in Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system of the Group. During the three month ended 31 March 2009, the audit committee comprises three members, Mr. Kwok Chi Shing, Mr. Tsang Wai Sum and Mr. Yu Yang. All of them are independent non-executive Directors.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding Directors' securities transactions on term no less exacting than the required standard dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rule throughout the period ended 31 March 2009, Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealing throughout the period 31 March 2009.

CORPORATE GOVERNANCE

During the three months ended 31 March 2009, the Company has complied with the requirement of the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the three months ended 31 March 2009. Neither the Company nor any of its subsidiaries has purchased, sold any of the Company's shares.

By order of the Board
Mak Shiu Chung, Godfrey
Chairman

Hong Kong, 14 May 2009

As at the date of this report, the Board comprises:

Executive Directors

Mr. Mak Shiu Chung, Godfrey

Mr. Zhang Chao Liang

Mr. Wang Hon Chen

Independent Non-Executive Directors

Mr. Kwok Chi Shing

Mr. Tsang Wai Sum

Mr. Yu Yang