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## IMPORTANT

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

**If you have sold or transferred** all your shares in DeTeam Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

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### **DeTeam Company Limited \*** **弘海有限公司**

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

(Stock Code: 8112)

### **GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS**

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This circular, for which the Directors (the “Directors”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited 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 circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

\* For identification only

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## CHARACTERISTICS OF GEM

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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 the 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 companies.

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2006 to be held at Suite No. 3, 31st Floor, Sino Plaza, 255-257 Gloucester Road, Hong Kong on 15 June 2007 (Friday), at 3 p.m.;
“AGM Notice”	the notice dated 30 March 2007 convening the Annual General Meeting;
“Articles of Association”	the articles of association of the Company;
“associates”	shall have the meaning set out in, and be interpreted in accordance with, the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	DeTeam Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM;
“Directors”	directors of the Company for the time being;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries from time to time;
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	27 March 2007, being the latest practicable date prior to the printing of this circular;
“Lucky Team”	Lucky Team International Limited;
“Sebastian”	Sebastian International Holdings Limited;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

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## DEFINITIONS

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“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	(a) holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	shall have the meaning set out in, and be interpreted in accordance with, the GEM Listing Rules; and
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers.

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## LETTER FROM THE BOARD

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# Deteam Company Limited \*

## 弘海有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8112)

*Executive Directors:*

Mr. Yan, Daniel X.D. (*Chairman*)

Mr. Mak Shiu Chung, Godfrey

Mr. Zhang Chao Liang

Mr. Wang Hon Chen

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent Non-executive Directors:*

Mr. Yang Xiaoping

Mr. Kwok Chi Shing

Mr. Tsang Wai Sum

*Principal Place of Business:*

Suite No. 3, 31st Floor,

Sino Plaza

255-257 Gloucester Road

Hong Kong

30 March 2007

*To the Shareholders*

Dear Sir and Madam,

### GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS

#### INTRODUCTION

At the Annual General Meeting to be held at Suite No. 3, 31st Floor, Sino Plaza, 255-257 Gloucester Road, Hong Kong on 15 June, 2007 (Friday), at 3 p.m., resolutions will be proposed to grant the Directors general mandates to allot or issue new Shares and to repurchase Shares.

#### GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general mandate to allot, issue and deal with Shares up to a limit equal to 20% of the issued share capital of the Company as at the date of passing of such resolution. Another ordinary resolution will be proposed to increase limit of this 20% by the amount of any Shares repurchased by the Company up to a maximum of 10% of the issued share capital of the Company at the date of passing of the relevant resolution.

\* *For identification only*

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will also be proposed to grant to the Directors a general mandate to repurchase Shares on GEM or on any other stock exchange on which the Shares may be listed. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue on the date of passing of the resolution.

#### Explanatory statement

Appendix I to this circular contains the explanatory statement in compliance with the GEM Listing Rules to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of a mandate to the Directors to exercise the powers of the Company to repurchase its own Shares.

#### General Information

The AGM Notice is set out in the annual report which has been despatched to the Shareholders with this circular.

A form of proxy for the Annual General Meeting is enclosed with the annual report. Whether or not you are able to attend the Annual General Meeting in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the principal office of the Company at Suite No. 3, 31st Floor, Sino Plaza, 255-257 Gloucester Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

### RE-ELECTION OF DIRECTORS

Mr. Zhang Chao Liang, Mr. Tsang Wai Sum and Mr. Wang Hon Chen will hold the office of a director until the Annual General Meeting and Mr. Kwok Chi Shing and Mr. Yan, Daniel X.D. will retire at the Annual General Meeting and both directors, being eligible, will offer themselves for re-election.

Brief biographical details of the above Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### PROCEDURE TO DEMAND POLL

A resolution put to the vote at the Annual General Meeting will be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the Annual General Meeting; or

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## LETTER FROM THE BOARD

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- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the Annual General Meeting; or
- (iii) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the Annual General Meeting; or
- (iv) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy/proxies and holding Shares conferring a right to attend and vote at the Annual General Meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

### RECOMMENDATION

The Directors consider that the granting of the general mandates to issue Shares, repurchase Shares and the re-election of Directors is in the best interests of the Company and the Shareholders and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the forthcoming Annual General Meeting.

Yours faithfully,  
**Yan, Daniel X.D.**  
*Chairman*



This is an explanatory statement given to all Shareholders relating to the resolution No. 4B to be proposed at the Annual General Meeting authorising the repurchase mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:

**1. Exercise of the repurchase mandate**

The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the GEM Listing Rules. For your information, on the Latest Practicable Date, there were in issue an aggregate of 296,060,000 Shares. Accordingly, the exercise in full of the repurchase mandate, on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and prior to the date of the Annual General Meeting, would result in up to 29,606,000 Shares being repurchased by the Company. Furthermore, the general mandate covers purchases made only during the period ending on the earliest of (a) the date of the next annual general meeting of the Company; (b) the date by which the next annual general meeting is required to be held by law or the Articles of Association; and (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

**2. Reasons for repurchases**

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such purchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per share.

**3. Funding of repurchases**

The Company is empowered by the Articles of Association to purchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the listing rules of the Stock Exchange from time to time. Under the laws of the Cayman Islands, the Shares so repurchased will be treated as cancelled and the amount of the Company's issued capital shall be diminished accordingly, but the aggregate amount of authorised share capital of the Company will not be reduced.

**4. General**

If the repurchase mandate were exercised in full, there could be a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group (as compared with the position disclosed in the audited financial statements for the year ended 31 December 2006). The Directors therefore do not propose to exercise the repurchase mandate to such an extent.

## 5. Share prices

The Company has not repurchased any of its Shares (whether on GEM or otherwise) in the six months preceding the date of this circular.

The highest and lowest prices at which Shares have been traded on GEM during each of the previous twelve months and up to and including the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2006</b>		
March	0.320	0.120
April	0.255	0.232
May	0.495	0.245
June	0.520	0.395
July	0.480	0.260
August	0.450	0.360
September	0.455	0.400
October	0.560	0.400
November	1.050	0.400
December	1.000	0.600
<b>2007</b>		
January	0.930	0.680
February	0.840	0.600
March (up to the Latest Practicable Date)	0.780	0.600

## 6. Directors and connected persons

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective associates, has any present intention, in the event that the grant to the Directors of a repurchase mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected persons (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the repurchase mandate is approved by the Shareholders. In accordance with the GEM Listing Rules, the Company is prohibited from knowingly purchase Shares from a connected person on GEM and a connected person shall not knowingly sell his Shares to the Company.

## 7. Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands and Hong Kong and in accordance with the regulations set out in the Articles of Association.

**TAKEOVER CODE**

If as a result of a share repurchase, the proportionate interest in the voting rights of the Company held by a Shareholder increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. Accordingly, a Shareholder or parties acting in concert with such Shareholder could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, Lucky Team and Sebastian being parties acting in concert, together beneficially held 76,900,000 Shares, representing approximately 25.97% respectively, of the issued share capital of the Company, were the only Substantial Shareholders holding more than 10% of the Shares in issue. Should the power to repurchase Shares pursuant to the repurchase mandate be exercised in full, Lucky Team and Sebastian together would be beneficially interested in 28.86% of the issued share capital of the Company. Should the power to repurchase Shares pursuant to the repurchase mandate be exercised in full, the increase in shareholding of Sebastian would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code.

The Directors do not propose to exercise the repurchase mandate to such extent as to result in the number of Shares which are in the hands of the public falling below the prescribed minimum as required by the Stock Exchange.

**KWOK CHI SHING**

Mr. Kwok Chi Shing, aged 44, was appointed on 27 January 2006 as an independent non-executive director and a member of the audit committee of the Company. Mr. Kwok is currently the partner of Lam, Kwok, Kwan & Cheng CPA Limited. He graduated from the University of Aberdeen, United Kingdom in 1986 with a Master of Arts Honour Degree in Accountancy with Economics. Mr. Kwok is a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok has extensive experience in corporate and financial management work especially for the real estate development and property management industries. He has extensive experience in public sector work both in Hong Kong and China and he was the president of the HK Association of Financial Advisors. Apart from being an independent non-executive director and a member of the audit committee of the Company, Mr. Kwok does not hold any other positions in the Company or any member of the Group.

Mr. Kwok has not entered into a service contract and is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Article of Association provided that the appointment may be terminated by either party with a written notice of not less than one month unless both parties agree otherwise. Mr. Kwok does not have any proposed length of service. Mr. Kwok is entitled to a remuneration of HK\$60,000 per annum for his directorship in the Company. The emolument is determined with reference to the duties, responsibilities and expected time commitment of Mr. Kwok to the Company affair.

Mr. Kwok does not hold any directorship in other companies listed on the Stock Exchange in the past three years.

Mr. Kwok does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO). Save that Mr. Kwok is an independent non-executive director of the Company, Mr. Kwok does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Saved as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 17.50(2)(h)to(v) of the GEM Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

**YAN, DANIEL X.D.**

Mr. Yan, Daniel X.D., aged 44, has been an executive director and the chairman of the Company since 7 April 2000. Mr. Yan is primarily responsible for the Group's overall strategic planning, business development and sales and marketing since the establishment of 北京 安 卓 思 通 信 技 術 發 展 有 限 公 司 (Beijing Angels Communication Technology Co., Ltd) in 1996. Mr. Yan, being the founder of the Group, has over 16 years of experience in information technology industry in the PRC, particularly in the area of strategic planning, business development, sales and marketing. He holds a bachelor's degree in mathematics and computer science from the Capital University of Economics and Trade, the PRC. Apart from being an executive director and the chairman of the Company, Mr. Yan does not hold any other positions in the Company or any member of the Group.

Mr. Yan entered into a service contract with the Company for a term of three year commencing from 7 April 2000. The service contract will continue thereafter until terminated by either party giving the other not less than 90 days notice. Mr. Yan is entitled to a remuneration of HK\$455,000 per annum under the service contract. The emolument is determined with reference to the duties, responsibilities, and expected time commitment of Mr Yan to the Company affair.

Saved as disclosed above, Mr. Yan does not hold any directorship in other listed companies in the past three years. Other than being interested in 20,000,000 Shares through Sebastian, which is wholly and beneficially owned by Mr. Yan and 1,500,000 underlying Shares under share options, Mr. Yan does not have any other interests in the shares of the Company (within the meaning of Part XV of the SFO). Save that Mr. Yan is an executive director and the chairman of the Company and save for being a party acting in concert with Lucky Team, which is wholly and beneficially owned by Mr. Mak Shiu Chung, Godfrey, an executive director of the Company, Mr. Yan does not have any other relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Saved as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 17.50(2)(h)to(v) of the GEM Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

#### **ZHANG CHAO LIANG**

Mr. Zhang Chao Liang, aged 38, was appointed on 26 July 2006 as an executive director of the Company. He graduated from University of Shenzhen in International Trade Finance. He was previously the Head of Sales in China National Machinery Import and Export Corporation (Shenzhen) responsible for sales and marketing and strategic planning. Apart from being an executive director of the Company, Mr. Zhang does not hold any other position in the Company or any member of the Group.

Mr. Zhang has not entered into a service contract and is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Article of Association provided that the appointment may be terminated by either party with a written notice of not less than one month unless both parties agree otherwise. Mr. Zhang does not have any proposed length of service. Mr. Zhang is entitled to a remuneration of HK\$5,000 per annum for his directorship in the Company. The emolument is determined with reference to the duties, responsibilities and expected time commitment of Mr. Zhang to the Company affair.

Mr. Zhang does not hold any directorship in other listed companies in the past three years.

Mr. Zhang does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO). Save that Mr. Zhang is an executive director of the Company, Mr. Zhang does not have any relationship with any other directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Saved as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 17.50(2)(h)to(v) of the GEM Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

**WANG HON CHEN**

Mr. Wang Hon Chen, aged 46, was appointed on 1 March 2007 as an executive director of the Company. Mr. Wang is the general manager of the Group, he has over 20 years experience in the production field. Mr. Wang is responsible for overseeing the operation of Changchun Yicheng Packaging Company Limited, including product development, production process and technical and safety management and he is a member of the People's Congress in Luyuan District, Changchun. Apart from being an executive director and general manager of the Group, Mr. Wang does not hold any other positions in the Company or any member of the Group.

Mr. Wang has not entered into a service contract and is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Article of Association provided that the appointment may be terminated by either party with a written notice of not less than one month unless both parties agree otherwise. Mr. Wang does not have any proposed length of service. Mr. Wang is entitled to a remuneration of RMB5,000 per month for his directorship in the Company. The emolument is determined with reference to the duties, responsibilities and expected time commitment of Mr. Wang to the Company affair.

Mr. Wang does not hold any directorship in other listed companies in the past three years.

Mr. Wang does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO). Save that Mr. Wang is an executive director of the Company and general manager of the Group, Mr. Wang does not have any other relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Saved as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 17.50(2)(h)to(v) of the GEM Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

**TSANG WAI SUM**

Mr. Tsang Wai Sum, aged 46, was appointed on 26 July 2006 as an independent non-executive director and a member of the audit committee of the Company. He is also a member of the remuneration committee. He graduated from University of London with a bachelor degree in Laws and RMIT University with a Master Degree of Finance. He is a practicing solicitor in Hong Kong and is a partner of Tsang & Wong. He has been admitted as a solicitor in England and Wales and has been admitted as a barrister and solicitor in the Supreme Court of Victoria, Australia. Apart from being an independent non-executive director and a member of the audit committee and remuneration committee of the Company, Mr. Tsang does not hold any other positions in the Company or any member of the Group.

Mr. Tsang has not entered into a service contract and is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Article of Association, provided that the appointment may be terminated by either party with a written notice of not less than one month unless both parties agree otherwise. Mr. Tsang does not have any proposed length of service. Mr. Zhang is entitled to a remuneration of HK\$5,000 per annum for his directorship in the Company. The emolument is determined with reference to the duties, responsibilities and expected time commitment of Mr. Tsang to the Company affair.

Mr. Tsang does not hold any directorship in other listed companies in the past three years.

Mr. Tsang does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO). Save that Mr. Tsang is an independent non-executive director a member of the audit committee and remuneration committee of the Company, Mr. Tsang does not have any other relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Saved as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 17.50(2)(h)to(v) of the GEM Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.