
IMPORTANT

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.

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

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 on the “Latest Company Announcements” page of 7 days from the date of its posting.

* For identification purpose only

31 March 2008

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DEFINITIONS

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 2007 to be held at Suite No. 3, 31st Floor, Sino Plaza, 255-257 Gloucester Road, Hong Kong on 28 April 2008 (Monday), at 3:00 p.m.;
“AGM Notice”	the notice dated 31 March 2008 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”	26 March 2008, being the latest practicable date prior to the printing of this circular;
“Lucky Team”	Lucky Team International Limited;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	(a) holder(s) of Shares;

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder” with, the GEM Listing Rules; and	shall have the meaning set out in, and be interpreted in accordance
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD

DeTeam Company Limited

弘海有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8112)

Executive Directors:

Mr. Mak Shiu Chung, Godfrey (*Chairman*)

Mr. Zhang Chao Liang

Mr. Wang Hon Chen

Independent Non-executive Directors:

Mr. Kwok Chi Shing

Mr. Tsang Wai Sum

Mr. Yu Yang

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business:

Suite No. 3, 31st Floor,

Sino Plaza

255-257 Gloucester Road

Hong Kong

31 March 2008

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 28 April 2008 (Monday), at 3:00 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 purpose only*

LETTER FROM THE BOARD

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. Yu Yang, will hold the office of a director until the Annual General Meeting and Zhang Chao Liang and Mr. Tsang Wai Sum 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

LETTER FROM THE BOARD

- (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,
Mak Shiu Chung, Godfrey
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 423,552,000 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 42,355,200 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 2007). 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:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
March	0.90	0.60
April	0.83	0.70
May	2.43	0.73
June	2.63	2.14
July	3.05	2.12
August	2.75	1.55
September	2.51	2.18
October	2.90	2.18
November	2.32	1.50
December	1.85	1.20
2008		
January	1.26	0.60
February	0.95	0.74
March (up to the Latest Practicable Date)	0.83	0.75

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 Xu Bin held 58,132,000 and 48,960,000, representing approximately 13.72% and 11.56% respectively, of the issued share capital of the Company, were the 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 Xu Bin would be beneficially interested in 15.25% and 12.84% 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 Lucky Team and Xu Bin 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.

YU YANG

Mr. Yu Yang, aged 41, was appointed on 5 September 2007 as an independent non-executive director and a member of the audit committee of the Company. Mr. Yu is currently the Chairman of Nanjing Pesi Shing Technology Company Limited and has over 23 years experience in commodity trading business. He graduated from the University of Nanjang with a bachelor degree in Internation Commerical Business. Apart from being an independent non-executive director and a member of the audit committee of the Company, Mr. Yu does not hold any other positions in the Company or any member of the Group.

Mr. Yu has been appointed as an independent non-executive director for an initial fixed term of two years commencing from 5 September 2007. The appointment of Mr. Yu will continue after expiry of the said initial fixed term provided that either the company or Mr. Yu terminate the letter of appointment by giving at least three months' prior written notice to the other. Mr. Yu 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. Yu to the Company affair.

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

Mr. Yu does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO). Save that Mr. Yu is an independent non-executive director of the Company, Mr. Yu 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.

ZHANG CHAO LIANG

Mr. Zhang Chao Liang, aged 39, 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.

TSANG WAI SUM

Mr. Tsang Wai Sum, aged 47, 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. Tsang 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. Tsang to the Company affair.

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

Mr. Tsang was interested in 192,000 ordinary shares of HK\$0.10 each in Company, representing approximately 0.04 per cents of the issue share capital of the Company 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.