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**THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this supplemental circular or as to the action to be taken, you should consult your 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 **iMerchants Limited** (the “**Company**”), you should at once hand this supplemental circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this supplemental circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this supplemental circular.

This supplemental circular, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.



**iMerchants Limited**  
**菱控有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

(Stock Code: 8009)

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO THE SHAREHOLDERS  
DATED 12 AUGUST 2011  
RELATING TO THE RE-ELECTION OF RETIRING DIRECTORS;  
PROPOSED ADJOURNMENT OF THE ANNUAL GENERAL MEETING;  
AND  
REVISED NOTICE OF THE ANNUAL GENERAL MEETING**

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This supplemental circular should be read in conjunction with the circular to the shareholders of the Company (the “**Shareholders**”) dated 12 August 2011 (the “**Circular**”) and the notice convening an annual general meeting of the Company (the “**AGM**”) originally to be held at Pacific Room, 2/F., Hong Kong Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 12 September 2011 at 11:00 a.m.. A revised form of proxy (the “**Revised Form of Proxy**”) is also enclosed with this supplemental circular for use at the adjourned annual general meeting (the “**Adjourned AGM**”) to be held at Pacific Room, 2/F., Hong Kong Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Friday, 16 September 2011 at 11:00 a.m..

A revised notice of the AGM is set out on pages 7 to 10 of this supplemental circular. Whether or not you are able to attend the Adjourned AGM, you are requested to complete the accompanying Revised Form of Proxy in accordance with the instructions printed thereon and return the same to the principal share registrar and transfer office of the Company, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the Adjourned AGM or any adjournment thereof (as the case may be). Completion and return of the Revised Form of Proxy will not preclude you from attending and voting in person at the Adjourned AGM or any adjournment thereof if you so wish.

*This supplemental circular will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication and on the Company’s website at <http://www.imerchantsltd.com>.*

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

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LETTER FROM THE BOARD

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**iMerchants Limited**  
**菱控有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
(Stock Code: 8009)

*Executive Directors:*

Mr. Yau Yan Ming Raymond (*Chairman*)  
Mr. Yang Bin  
Mr. Li Wen Jun  
Mr. Wong Ka Chun Carson  
Mr. Zha Jian Ping (*Chief Executive Officer*)  
Ms. Qi Yue

*Registered office and*

*principal place of business:*

Room 2112  
21/F, Wing On Centre  
No. 111 Connaught Road Central  
Hong Kong

*Independent non-executive Directors:*

Mr. Chang Kin Man  
Mr. Wu Tak Lung  
Mr. Lam Tze Chung

31 August 2011

*To the Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO THE SHAREHOLDERS  
DATED 12 AUGUST 2011  
RELATING TO THE RE-ELECTION OF RETIRING DIRECTORS  
AND  
PROPOSED ADJOURNMENT OF THE AGM**

**1. Introduction**

This supplemental circular should be read in conjunction with the Circular, which contains, among other things, information in respect of the re-election of retiring Directors at the AGM. In particular, your attention is drawn to the section under the heading “RE-ELECTION OF DIRECTORS” on page 4 of the Circular and Appendix II to the Circular.

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## LETTER FROM THE BOARD

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The purpose of this supplemental circular is to give you further information in respect of the re-election of retiring Directors at the Adjourned AGM and to give you the revised notice of the AGM and the Revised Form of Proxy. Unless the context requires otherwise, capitalised terms used in this supplemental circular shall have the same meanings ascribed thereto in the Circular.

### 2. Re-election of retiring Directors

Subsequent to the despatch of the Circular to the Shareholders on 12 August 2011, the Company announced on 26 August 2011 that Mr. Chan Wai Keung (“**Mr. Chan**”) resigned as an executive Director and chief executive officer of the Company (the “**Chief Executive Officer**”) with effect from 26 August 2011. At the same time, Mr. Zha Jian Ping (“**Mr. Zha**”) and Ms. Qi Yue (“**Ms. Qi**”) have been appointed as the executive Directors and Mr. Zha has also been appointed as the Chief Executive Officer to replace Mr. Chan with effect from 26 August 2011. Details of which are contained in an announcement of the Company dated 26 August 2011.

Following the resignation of Mr. Chan and the appointment of Mr. Zha and Ms. Qi, the Board has nine Directors, namely, Mr. Yau Yan Ming Raymond, Mr. Yang Bin, Mr. Li Wen Jun, Mr. Wong Ka Chun Carson, Mr. Zha and Ms. Qi, all being the executive Directors, and Mr. Chang Kin Man, Mr. Wu Tak Lung and Mr. Lam Tze Chung, all being the independent non-executive Directors.

Due to the resignation of Mr. Chan, the ordinary resolution in respect of the re-election of him as a Director as set out in the Circular is no longer applicable and will not be considered at the Adjourned AGM.

Pursuant to article 100 of the Articles, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Accordingly, Mr. Zha and Ms. Qi, shall hold office only until the Adjourned AGM, and being eligible, offer themselves for re-election. Particulars relating to each of Mr. Zha and Ms. Qi are set out in Appendix to this supplemental circular.

Pursuant to article 120 of the Articles stipulates that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

Accordingly, a total of three Directors will retire at the Adjourned AGM and being eligible, will offer themselves for re-election. Particulars relating to Mr. Yau Yan Ming Raymond, Mr. Yang Bin and Mr. Wong Ka Chun Carson have been set out in Appendix II to the Circular.

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## LETTER FROM THE BOARD

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You are advised to read this supplemental circular in conjunction with the Circular for full information relating to the re-election of retiring Directors.

### **3. Proposed adjournment of the AGM**

To ensure that the Company is in full compliance with the 10 business days' notice requirement under rule 17.46(2) of the GEM Listing Rules in respect of this supplemental circular, the AGM is adjourned from Monday, 12 September 2011 to Friday, 16 September 2011.

### **4. Revised notice of the AGM and Revised Form of Proxy**

Since both the notice of the AGM and the Form of Proxy sent together with the Circular contained the proposed resolution for the re-election of Mr. Chan as a Director is no longer applicable and do not contain the proposed resolutions for the re-election of Mr. Zha and Ms. Qi as Directors, a revised notice of the AGM has been set out on pages 7 to 10 of this supplemental circular, and the Revised Form of Proxy, which supersedes the Form of Proxy, has been prepared and is enclosed with this supplemental circular.

Whether or not you are able to attend the Adjourned AGM, you are requested to complete the accompanying Revised Form of Proxy in accordance with the instructions printed thereon and return the same to the principal share registrar and transfer office of the Company (with address shown on the cover page of this supplemental circular) as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the Adjourned AGM (the "**Closing Time**"). Completion and return of the Revised Form of Proxy will not preclude you from attending and voting in person at the Adjourned AGM if they so wish.

Special arrangements about completion and submission of the Revised Form of Proxy are set out below. You have appointed or intend to appoint proxy/proxies to attend the Adjourned AGM are requested to pay particular attention to the special arrangements.

A Shareholder who has not yet lodged the Form of Proxy with the principal share registrar and transfer office of the Company is requested to lodge the Revised Form of Proxy if he/she/it wishes to appoint proxy/proxies to attend the Adjourned AGM on his/her/its behalf. In this case, the Form of Proxy should not be lodged with the principal share registrar and transfer office of the Company.

A Shareholder who has already lodged the Form of Proxy with the principal share registrar and transfer office of the Company, should note that:

- (i) The Revised Form of Proxy lodged with the principal share registrar and transfer office of the Company before the Closing Time will revoke and supersede the Form of Proxy previously lodged by him/her/it. The Revised Form of Proxy will be treated as a valid form of proxy lodged by the Shareholder if correctly completed.

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## LETTER FROM THE BOARD

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- (ii) The Revised Form of Proxy lodged with the principal share registrar and transfer office of the Company after the Closing Time will be invalid, and will revoke the Form of Proxy previously lodged by him/her/it and any vote that may be cast by the purported proxy/proxies (whether appointed under the Form of Proxy or the Revised Form of Proxy) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, the Shareholder is advised not to lodge the Revised Form of Proxy after the Closing Time. If such Shareholder wish to vote at the Adjourned AGM, they will have to attend in person and vote at the Adjourned AGM by himself/herself/itself.
- (iii) If no Revised Form of Proxy is lodged with the principal share registrar and transfer office of the Company, the Form of Proxy will remain valid and effective to the fullest extent applicable if correctly completed. The proxy/proxies appointed under the Form of Proxy will also be entitled to vote at his/her/its discretion or to abstain from voting on any resolution properly put to the Adjourned AGM including the resolutions for the re-election of retiring Directors whose name were not set out in the Form of Proxy.

### **5. Recommendation**

The Directors consider that the proposed ordinary resolutions for approval of the re-election of Mr. Zha and Ms. Qi as Directors are in the best interests of the Company and the Shareholders, and accordingly, recommend all Shareholders to vote in favour of these resolutions in respect thereof to be proposed at the Adjourned AGM. The Directors also maintain recommendation on other resolutions proposed as set out in the Circular.

Yours faithfully,  
By order of the Board  
**iMerchants Limited**  
**Yau Yan Ming Raymond**  
*Chairman*

**Mr. Zha Jian Ping** (“**Mr. Zha**”), aged 40, was appointed as the executive Director and Chief Executive Officer with effect from 26 August 2011. He graduated from the Shanghai University of Finance and Economics majoring in accounting (Bachelor Degree in Economics), the Chinese Academy of Social Sciences as a postgraduate and the University of Wisconsin in the United States with a Master degree in Business Administration. Mr. Zha is a senior accountant in the PRC.

Mr. Zha worked in various large enterprise groups such as Nam Kwong (Group) Company Limited in Macau, Jinbei Vehicle Manufacturing Co., Ltd (a listed company in the PRC) and Brilliance China Automotive Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 1114) and in the United States). For years, he acted as various senior positions such as director, vice president and chief financial officer and led several departments including finance, commerce, information and logistics departments of the corporates. Mr. Zha also participated as a key member in the joint venture negotiations of BMW Brilliance Automotive Company. He is currently the chief financial officer of Shenzhen Careall Investment Holdings Group Co., Ltd. Mr. Zha has extensive experience in financial management, corporate operation and capital operation.

Save as disclosed above, Mr. Zha has not held any directorship in any other public listed companies or has any other major appointment in the last three years. Mr. Zha does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the GEM Listing Rules. As at the date of this supplemental circular, he does not have any interest in the Shares within the meaning of Part XV of the SFO.

The term of his service as a Director is subject to retirement and re-election at the next following general meeting of the Company in accordance with the Articles. The emoluments to Mr. Zha will be determined and subject to review by the Board from time to time with reference to his duties and responsibilities with the Company.

Save as disclosed above, there is no other information required to be disclosed in relation to the appointment of Mr. Zha pursuant to any of the requirements of the rule 17.50(2)(h) to (v) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders.

**Ms. Qi Yue (“Ms. Qi”)**, aged 48, was appointed as the executive Director with effect from 26 August 2011. She graduated from the Henan University of Finance and Economics majoring in accounting (Bachelor Degree in Economics). She has China accountant qualification. Ms. Qi worked in banking and finance for a long period. She was a member of internal control expert advisory team of auditing department and a research leader of financial management audit institution at the head office of China Construction Bank. Ms. Qi has rich professional experience in risk management and audit of financial products area.

Save as disclosed above, Ms. Qi has not held any directorship in any other public listed companies or has any other major appointment in the last three years. She does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the GEM Listing Rules. As at the date of this supplemental circular, Ms. Qi does not have any interest in the Shares within the meaning of Part XV of the SFO.

The term of her service as a Director is subject to retirement and re-election at the next following general meeting of the Company in accordance with the Articles. The emoluments to Ms. Qi will be determined and subject to review by the Board from time to time with reference to her duties and responsibilities with the Company.

Save as disclosed above, there is no other information required to be disclosed in relation to the appointment of Ms. Qi pursuant to any of the requirements of the rule 17.50(2)(h) to (v) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders.

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## REVISED NOTICE OF THE AGM

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### **iMerchants Limited** **菱控有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
(Stock Code: 8009)

#### **REVISED NOTICE OF THE ANNUAL GENERAL MEETING**

**REVISED NOTICE IS HEREBY GIVEN** that an adjourned annual general meeting (the “**Adjourned AGM**”) of iMerchants Limited (the “**Company**”) will be held at Pacific Room, 2/F., Hong Kong Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Friday, 16 September 2011 at 11:00 a.m. to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) of the Company and the Company’s auditors for the year ended 31 March 2011;
2. to consider the re-election of the retiring Directors, each as a separate resolution, and to authorise the board (the “**Board**”) of Directors to fix the Directors’ remuneration;
3. To consider the re-appointment of Messrs. SHINEWING (HK) CPA LIMITED as the Company’s auditors and to authorise the Board to fix their remuneration;

and as special businesses, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

#### **ORDINARY RESOLUTIONS**

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“the **Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.04 each (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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## REVISED NOTICE OF THE AGM

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- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association (the “**Articles**”) or any other applicable laws of Hong Kong to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

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## REVISED NOTICE OF THE AGM

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5. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and any other applicable laws of Hong Kong in this regard, be and the same is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Ordinance or any other applicable laws of Hong Kong to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. **“THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition to the aggregate nominal amount of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount

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## REVISED NOTICE OF THE AGM

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representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

By order of the Board  
**iMerchants Limited**  
**Yau Yan Ming Raymond**  
*Chairman*

Hong Kong, 31 August 2011

As at the date hereof, the board comprised the following Directors:

*Executive Directors:*

Mr. Yau Yan Ming Raymond  
Mr. Yang Bin  
Mr. Li Wen Jun  
Mr. Wong Ka Chun Carson  
Mr. Zha Jian Ping  
Ms. Qi Yue

*Independent non-executive Directors:*

Mr. Chang Kin Man  
Mr. Wu Tak Lung  
Mr. Lam Tze Chung

Registered office and principal place of business:

Room 2112, 21/F., Wing On Centre, No. 111 Connaught Road Central, Hong Kong

*Notes:*

1. A member entitled to attend and vote at the Adjourned AGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the Adjourned AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A revised form of proxy (the “**Revised Form of Proxy**”) for use at the Adjourned AGM is enclosed herewith. Such Revised Form of Proxy is also published on the GEM website at [www.hkgem.com](http://www.hkgem.com) and the Company’s website at [www.imerchantsltd.com](http://www.imerchantsltd.com). In order to be valid, the Revised Form of Proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company’s principal share registrar and transfer office, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the Adjourned AGM or any adjournment thereof. Completion and return of the Revised Form of Proxy will not preclude a member from attending in person and voting at the Adjourned AGM or any adjournment thereof, should he/she/it so wish.
3. In the case of joint holders of Shares, any one of such holders may vote at the Adjourned AGM, either personally or by proxy, in respect of such Share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the Adjourned AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.