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iMerchants Limited

菱控有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8009)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company dated 24 October 2011 (the “Announcement”) in relation to the proposed Capital Reorganisation, proposed Change in Board Lot Size and proposed increase in authorised capital. Capitalised terms used in this clarification announcement shall have the same meanings as those defined in the Announcement.

The Board, having obtained advice from the Company’s financial adviser and having considered the trading of the Shares in the market, would like to clarify the board lot size will be changed from 25,000 Shares to 10,000 Adjusted Shares (instead of 2,000 Adjusted Shares) upon the Capital Reorganisation becoming effective, so as to bring it in line with the current market practice, reducing the transaction costs in trading of the Adjusted Shares and facilitate trading of the Adjusted Shares in the future.

Corresponding changes in relation to such changes will also be made in the circular to the Shareholders.

By Order of the Board
iMerchants Limited
Yau Yan Ming Raymond
Chairman

Hong Kong, 31 October 2011

As at the date of this announcement, the executive Directors are Mr. Yau Yan Ming Raymond, Mr. Zha Jian Ping, Ms. Qi Yue, and Mr. Wong Ka Chun Carson; and the independent non-executive Directors are Mr. Wu Tak Lung and Mr. Lam Tze Chung.

This announcement, for which 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 of 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 the information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days of its publication and on the websites of the Company at <http://www.imerchantsltd.com>.