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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 circular of the Company dated 17 November 2011 (the “**Circular**”) in relation to the proposed Capital Reorganisation, proposed Change in Board Lot Size, proposed Increase in the Authorised Capital, proposed amendments to the Memorandum and Articles of Association and proposed adoption of New Share Option Scheme. Capitalised terms used in this clarification announcement shall have the same meanings as those defined in the Circular.

The Board noted that there are inadvertent typographical errors in the Circular and would like to clarify the following:

- (i) the definition of “Accumulated Losses” on page 1 of the Circular should have been stated as “the entire audited balance in the accumulated losses account of the Company as at 31 March 2011 of approximately HK\$347.64 million” instead of “the entire audited balance in the accumulated losses account of the Company as at 31 March 2011 of approximately HK\$400.69 million”.
- (ii) the statement “According to the audited financial statements of the Company for the year ended 31 March 2011, the Company’s share premium account and the accumulated losses account stood at approximately HK\$40.09 million and HK\$400.69 million respectively” on page 8 of the Circular should have been stated as “According to the audited financial statements of the Company for the year ended 31 March 2011, the Company’s share premium account and the accumulated losses account stood at approximately HK\$40.09 million and HK\$347.64 million respectively”.

Except as stated above, all the information in the Circular remains unchanged.

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

Hong Kong, 31 January 2012

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. Lam Tze Chung, Mr. Wu Ka Ho Stanley and Mr. Yue Laiqun.

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>.