

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



iMerchants Limited

菱控有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8009)

**ANNOUNCEMENT –
PRICE SENSITIVE INFORMATION
AND
RESUMPTION OF TRADING**

The Board has noted the increase in the price and trading volume of the Shares on 8 November 2007 and wishes to state that, save as disclosed below, it is not aware of any reasons for the unusual share price and trading volume movement.

The Company has been advised by its controlling shareholder, iMerchants Group, which is interested in approximately 67.32% of the entire issued share capital of the Company, that it is in discussion with an independent third party in respect of a possible disposal of the Shares which may or may not result in a change in control of the Company. **Shareholders and public investors should note that the possible transaction may or may not proceed and are advised to exercise caution when dealing in the Shares.** Further announcement will be made by the Company in this regard as and when appropriate.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 8 November 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 19 November 2007.

This announcement is made pursuant to Rule 17.10 of the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board (the “Board”) of directors (the “Directors”) of iMerchants Limited (the “Company”) has noted the increase in the price and trading volume of the shares of the Company (the “Shares”) on 8 November 2007 and wishes to state that, save as disclosed below, it is not aware of any reasons for the unusual share price and trading volume movement.

The Company has been advised by its controlling shareholder, iMerchants Group Limited (“iMerchants Group”), which is interested in 76,246,100 Shares, representing approximately 67.32% of the entire issued share capital of the Company, that it has been in discussion with an independent third party in respect of a possible disposal of the Shares owned by iMerchants Group since early November 2007. Details of the possible transaction including the number of Shares to be disposed of have not yet been agreed and therefore the disposal may or may not result in a change in control of the Company. **Shareholders and public investors should note that the possible transaction may or may not proceed and are advised to exercise caution when dealing in the Shares.** Further announcement will be made by the Company in this regard as and when appropriate.

Save for the above, the Directors confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the GEM Listing Rules and the Board is not aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

The Directors will keep the market informed in compliance with the GEM Listing Rules and the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) in particular by way of announcement on a monthly basis until announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the possible transaction in compliance with the Takeovers Code is made.

SECURITIES IN THE COMPANY

As at the date hereof, (i) the Company has a total issued share capital of 113,251,000 Shares and outstanding share options granted to subscribe for an aggregate of 594,000 Shares; and (ii) there are no other classes of relevant securities (as defined under note 4 to Rule 22 of the Takeovers Code) issued by the Company.

DEALINGS DISCLOSURE

Associates (as defined in the Takeovers Code) of the Company and the potential offeror are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive (as defined in the Takeovers Code) in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive (as defined in the Takeovers Code) with relevant information as to those dealings, including identities of clients, as part of that co-operation.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 2:30 p.m. on 8 November 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 19 November 2007.

By order of the Board
iMerchant Limited
Clement Leung Yuen Wing
Company Secretary

Hong Kong, 16 November 2007

The Directors as at the date of this announcement are as follows:

Executive Directors:

Mr. Leroy Kung Lin Yuen (*Chairman*)

Ms. Lena Foo

Independent non-executive Directors:

Mr. Matthew P. Johnston

Mr. Ronny Chow Fan Chim

Mr. Tony Lo Tung Sing

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Takeovers Code 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company at www.imerchants.com.