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iMerchants Limited

菱控有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8009)

**DELAY IN DESPATCH OF CIRCULAR
IN RELATION TO
DISCLOSEABLE AND
CONNECTED TRANSACTIONS,
SPECIAL DEALS**

The directors of the Company refer to the announcement of the Company dated 12 December 2007 in relation to, among other things, the discloseable and connected transactions of the Company and wish to inform the shareholders of the Company that the despatch of the Circular will be postponed from 2 January 2008 to on or before 28 January 2008.

Reference is made to the joint announcement made by iMerchants Limited (the “Company”), China Water Industry Group Limited and Bonus Raider Investments Limited dated 12 December 2007 (the “**Joint Announcement**”) in relation to, among other things, the discloseable and connected transactions of the Company. Capitalised terms used in this announcement have the same meanings as those defined in the Joint Announcement, unless the contexts require otherwise.

Pursuant to Rules 19.38 and 20.49 of the GEM Listing Rules, the Company is required to despatch a circular in relation to, among other things, the Disposal and the Assignment (the “**Circular**”) to its shareholders within 21 days after publication of the Joint Announcement, which is on or before 2 January 2008. However, additional time is required for the independent financial adviser of the Company to prepare and finalize its letter of advice. In view of the above, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 19.38 and 20.49 of the GEM Listing Rules to postpone the date for despatch of the Circular to its shareholders to on or before 28 January 2008.

By order of the board
iMerchants Limited
Leroy Kung Lin Yuen
Chairman

Hong Kong, 2 January 2008

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the iMerchants Group. The directors of the Company 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.

As at the date of this announcement, the board of directors of the Company comprises of (i) two executive directors, namely Mr. Leroy Kung Lin Yuen and Ms. Lena Foo; and (ii) three independent non-executive directors, namely Mr. Ronny Chow Fan Chim, Mr. Matthew P. Johnston and Mr. Tony Lo Tung Sing.

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