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Bonus Raider Investments Limited

*(Incorporated in the British Virgin Islands
with limited liability)*

iMerchants Limited

*(Incorporated in Hong Kong with limited liability)
(Stock code: 8009)*

JOINT ANNOUNCEMENT

**UNCONDITIONAL MANDATORY GENERAL CASH OFFERS BY
EXCALIBUR SECURITIES LIMITED
ON BEHALF OF
BONUS RAIDER INVESTMENTS LIMITED
FOR ALL THE ISSUED SHARES
(OTHER THAN THOSE ALREADY OWNED BY
BONUS RAIDER INVESTMENTS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT) IN, AND
FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF,
iMERCHANTS LIMITED**

DESPATCH OF COMPOSITE OFFER DOCUMENT

**Financial adviser to
Bonus Raider Investments Limited**

VEDA | CAPITAL
智略資本

**Financial adviser to
iMerchants Limited**



First Shanghai Capital Limited

**Independent financial adviser to
the Independent Board Committee**

 **博大資本國際有限公司
Partners Capital International Limited**

The Composite Document and the Forms of Acceptance have been despatched to the Shareholders and the Optionholders on 21 February 2008.

The Offers commence on Thursday, 21 February 2008 and will close on Thursday, 13 March 2008 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code.

Shareholders and Optionholders are strongly advised to read the Composite Document carefully, including the recommendation from the Independent Board Committee and the advice from the Independent Financial Adviser, before deciding whether or not to accept the Offers.

Reference is made to the joint announcement dated 12 December 2007 issued by Bonus Raider Investments Limited (the “Offeror”), China Water Industry Group Limited and iMerchants Limited (the “Company”) in relation to, among other things, the Offers and the composite offer and response document dated 21 February 2008 issued jointly by the Offeror and the Company (the “Composite Document”). Capitalised terms used herein have the same meanings as defined in the Composite Document.

DESPATCH OF COMPOSITE DOCUMENT

The Composite Document together with the Forms of Acceptance for the Share Offer and the Option Offer have been despatched to the Shareholders and the Optionholders respectively on 21 February 2008. The Offers commence on Thursday, 21 February 2008 and will close on 13 March 2008 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code.

Shareholders and Optionholders are strongly advised to read the Composite Document carefully, including the recommendations from the Independent Board Committee and the advice from the Independent Financial Adviser before deciding whether or not to accept the Offers.

By order of the board of directors of
Bonus Raider Investments Limited
Zhong Wen Sheng
Director

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

Hong Kong, 21 February 2008

This announcement, for which the Directors 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 Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Offeror, China Water and the parties acting in concert with each of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror, China Water and the parties acting in concert with each of them) 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 (other than those relating to the Offeror, China Water and the parties acting in concert with each of them) in this announcement misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Group and the parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group and the parties acting in concert with it) 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 (other than those relating to the Group and the parties acting in concert with it) in this announcement misleading.

As at the date hereof, the Board consists of two executive Directors, namely Mr. Leroy Kung Lin Yuen and Ms. Lena Foo, and three independent non-executive Directors, namely Mr. Ronny Chow Fan Chim, Mr. Matthew P. Johnston and Mr. Tony Lo Tung Sing.

As at the date hereof, the board of directors of the Offeror comprises Mr. Zhong Wen Sheng and Mr. Sze Chun Ning.

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.