

The information set forth in this appendix does not form part of the Accountants' Report prepared by the Company's independent reporting accountants, KPMG, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

#### (A) UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted consolidated net tangible assets is prepared based on the audited consolidated net tangible assets at March 31, 2006 of the Group, as shown in the Accountants' Report, the text of which is set forth in Appendix I to this prospectus, adjusted as described below.

The statement of unaudited pro forma adjusted consolidated net tangible assets has been prepared to show the effect on the audited consolidated net tangible assets of the Group at March 31, 2006 as if the Global Offering had occurred on March 31, 2006.

The statement of the unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, as a result, may not be an accurate reflection of financial position of the Group.

|   | Audited<br>consolidated<br>net tangible<br>assets at<br>March 31, 2006 | Estimated<br>net<br>proceeds<br>from the<br>Global<br>Offering <sup>(1)</sup> | Unaudited<br>pro forma<br>adjusted<br>consolidated<br>net tangible<br>assets <sup>(2)</sup> | Unaudited pro<br>forma adjusted<br>consolidated net<br>tangible asset<br>value per share <sup>(3)</sup> |                       |
|---|--|---|---|---|-----------------------|
|   | (in millions of RMB)   |   |   | (RMB)   | (HK\$) <sup>(4)</sup> |
| Based on the offer price of HK\$7.30 per Offer Share <sup>(5)</sup> ..... | 32,621   | 15,911  | 48,532  | 3.35  | 3.26                  |
| Based on the offer price of HK\$8.55 per Offer Share <sup>(5)</sup> ..... | 32,621   | 18,659  | 51,280  | 3.54  | 3.44                  |

- (1) The estimated net proceeds from the Global Offering are based on the offer price of HK\$7.30, or RMB7.51, per share to HK\$8.55, or RMB8.80, per share, after deduction of the underwriting fees and other related expenses payable by us and takes no account of any shares which may be issued upon the exercise of the over-allotment option.
- (2) The unaudited pro forma adjusted net tangible assets do not take into account the effect of the net profit for the period from and including April 1, 2006 to the date immediately preceding the date of the Global Offering.
- (3) The unaudited pro forma adjusted consolidated net tangible asset value per share is arrived at after the adjustments referred to in note 1 above and on the basis that 2,200,000,000 H shares are issued and outstanding and that the over-allotment option is not exercised. If the over-allotment option is exercised, the unaudited pro forma adjusted consolidated net tangible asset value per share will increase.
- (4) The translation of Renminbi into Hong Kong dollars has been made at the rate of RMB1.0294 to HK\$1.00, the exchange rate set by the PBOC prevailing on June 30, 2006. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted to Renminbi, or vice versa, at that rate, or at any other rate or at all.
- (5) An annual dividend of RMB983 million for the year ended December 31, 2005 was distributed in June 2006, and a special dividend of RMB2,210 million from the Group's distributable retained profits at December 31, 2005 was declared at our extraordinary shareholders' general meeting on August 19, 2006 to be paid to our A shareholders. Had it been permissible to include these dividends in the above calculation, the unaudited pro forma adjusted consolidated net tangible asset value per share would have been reduced to HK\$3.04 or RMB3.13 based on the offer price of HK\$7.30 per Offer Share and HK\$3.23 or RMB3.32 based on the offer price of HK\$8.55 per Offer Share.

**(B) UNAUDITED PRO FORMA FULLY DILUTED FORECAST EARNINGS PER SHARE**

The following unaudited pro forma fully diluted forecast earnings per share for the year ending December 31, 2006 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on January 1, 2006. This unaudited pro forma fully diluted forecast earnings per share has been prepared for illustrative purposes only and, because of its nature, it may not give a true picture of the financial results of the Group following the Global Offering.

All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

|  |                              |
|--|------------------------------|
| Forecast consolidated net profit attributable to shareholders <sup>(1)</sup> . . . . . | not less than RMB5.5 billion |
| Pro forma fully diluted earnings per share <sup>(2)</sup> . . . . .                    | RMB0.38 (HK\$0.37)           |

- (1) The bases and assumptions on which the profit forecast has been prepared are set out in Appendix V to this prospectus.
- (2) The calculation of the forecast earnings per share on a pro forma fully diluted basis is based on the forecast consolidated net profit attributable to our shareholders for the year ending December 31, 2006 assuming that we had been listed on The Stock Exchange of Hong Kong Limited since January 1, 2006 and all our convertible bonds outstanding as of January 1, 2006 were fully converted on that day; resulting in a total of 14,487,508,904 shares issued and outstanding during the entire year. This calculation assumes that the 2,200,000,000 H Shares to be issued pursuant to the Global Offering were issued on January 1, 2006 (assuming the Over-allotment Option is not exercised). The forecast consolidated net profit attributable to shareholders for the year ending December 31, 2006 is based on the audited consolidated financial statements for the three months ended March 31, 2006, the unaudited results of the Group for the three months ended June 30, 2006 and a forecast of the consolidated results for the remaining six months ending December 31, 2006.

**(C) COMFORT LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION RELATING TO THE ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS AND FULLY DILUTED FORECAST EARNINGS PER SHARE**

The following is the text of a report received from the independent reporting accountants, KPMG, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus, in respect of the Group's unaudited pro forma financial information relating to the adjusted consolidated net tangible assets and fully diluted forecast earnings per share.



8th Floor  
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September 8, 2006

The Directors  
China Merchants Bank Co., Ltd.  
China Merchants Bank Tower No. 7088  
Shennan Boulevard  
People's Republic of China

China International Capital Corporation (Hong Kong) Limited  
UBS AG

Dear Sirs,

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets and the fully diluted forecast earnings per share (the "Unaudited Pro Forma Financial Information") as set out in Parts A and B of Appendix IV to the prospectus dated September 8, 2006 (the "Prospectus") in connection with the Global Offering of China Merchants Bank Co., Ltd. (the "Bank"), which has been prepared by the Directors of the Bank solely for illustrative purposes to provide information about how the Global Offering might have affected the financial information presented. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Parts A and B of Appendix IV to the Prospectus.

**RESPONSIBILITIES**

It is the responsibility solely of the Directors of the Bank to prepare the Unaudited Pro Forma Financial Information in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

It is our responsibility to form an opinion, as required by Paragraph 4.29 of the Hong Kong Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

## **BASIS OF OPINION**

We conducted our work in accordance with the Hong Kong Standards on Investment Circular Reporting Engagements (“HKSIR”) 300 “Accountants’ reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro forma Financial Information with the Directors of the Bank. The engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Bank on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors of the Bank, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of:-

- the financial position of the Group as at March 31, 2006 or any future date; or
- the earnings per share of the Group for the year ending December 31, 2006 or any future periods.

We make no comments regarding the reasonableness of the amount of net proceeds from the Global Offering, the application of those net proceeds, or whether such use will actually take place as described under “Use of proceeds” in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

## **OPINION**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Bank on the basis stated;

- (b) such basis is consistent with the accounting policies adopted by the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 4.29(1) of the Hong Kong Listing Rules.

Yours faithfully,

**KPMG**

*Certified Public Accountants*

Hong Kong, China