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招商銀行股份有限公司

CHINA MERCHANTS BANK CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 03968)

ANNOUNCEMENT

PURSUANT TO RULE 13.09(1) OF THE HONG KONG LISTING RULES PROPOSED RIGHTS ISSUE OF A SHARES AND H SHARES

The Board announces that the Board proposes to seek the approval of the Shareholders for the Rights Issue, which will comprise the issue of both the A Rights Shares and the H Rights Shares, in order to improve the capital adequacy ratio of the Company to support the continuing development and growth of its business.

The Rights Issue will be conducted on the basis of up to 2.2 Rights Shares for every ten (10) existing Shares, subject to determination by the Board. The Subscription Price is to be determined based on a discount to market price having regard to the trading prices of the A Shares and the H Shares on the secondary markets before the publication of the Rights Issue announcement, provided that the Subscription Price will not be lower than the most recent audited net asset value per Share of the Company before the Rights Issue as determined by a domestic auditor in accordance with the PRC GAAP (on the basis of the total number of Shares in issue as at 31 December 2010). The final Subscription Price shall be determined by the Board (or its authorized delegates) pursuant to the authorization of the shareholders' meeting in consultation with the sponsor(s)/lead underwriting(s) on the Price Determination Date. The Subscription Price for the A Rights Shares and the H Rights Shares (after adjustment in the exchange rates) shall be the same. The closing price of the A Shares and H Shares as at the date of this announcement was RMB12.98 and HK\$18.14, respectively.

On the basis of 21,576,608,885 Shares (comprising 17,666,130,885 A Shares and 3,910,478,000 H Shares) in issue as at the Latest Practicable Date and assuming no change in the issued share capital of the Company between the Latest Practicable Date and the Record Date, the Company expects to allot and issue provisionally, on the assumption of 2.2 Rights Shares for every ten (10) existing Shares, additional 4,746,853,954 Rights Shares (comprising 3,886,548,794 A Shares and 860,305,160 H Shares).

It is expected that the gross proceeds of the Rights Issue will be not more than RMB35,000,000,000.

The Rights Issue will be subject to, among other matters, the approval of the Shareholders at the EGM, the approval of the H Shareholders at the H Shareholders Class Meeting and the approval of the A Shareholders at A Shareholders Class Meeting. A circular containing the notices convening the EGM and the H Shareholders Class Meeting will be delivered to the H Shareholders as soon as practicable in accordance with the Articles of Association of the Company.

The Company's intention is to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Hong Kong Listing Rules in order to maintain the minimum public float requirement as set out under Rule 8.08(1) of the Hong Kong Listing Rules.

Prior to the launch of the H Share Rights Issue, the Company will make a further announcement and issue the H Share Rights Prospectus, which will contain all relevant details of the Rights Issue, including the Subscription Price, the Record Date, the basis on which the Rights Issue are to be offered, the maximum number of Rights Shares to be issued, trading arrangements of the H Rights Shares, the arrangement for excess H Rights Shares, the underwriting arrangement and the expected timetable of the Rights Issue.

This announcement is made pursuant to the general disclosure requirements under Rule 13.09(1) of the Hong Kong Listing Rules.

The H Share Rights Issue is conditional upon the fulfillment of the conditions set out under the section headed "Conditions of the H Share Rights Issue" in this announcement. If any of the conditions is not fulfilled, the H Share Rights Issue will not proceed. Investors are advised to exercise caution when dealing in the H Shares.

INTRODUCTION

The Board announces that the Board proposes to seek the approval of the Shareholders for the Rights Issue, which will comprise the issue of both the A Rights Shares and the H Rights Shares, in order to improve the capital adequacy ratio of the Company to support the continuing development and growth of its business.

PROPOSED RIGHTS ISSUE

The Rights Issue will comprise an offer of A Rights Shares and an offer of H Rights Shares to Qualifying A Shareholders and Qualifying H Shareholders, respectively, on the preliminary terms set out below.

It is expected that the gross proceeds of the Rights Issue will be not more than RMB35,000,000,000.

H Share Rights Issue

Basis of the H Share Rights Issue:	Up to 2.2 H Rights Shares for every ten (10) existing H Shares held on the H Share Record Date by the Qualifying H Shareholders
Number of Shares in issue as at the Latest Practicable Date:	21,576,608,885
Number of H Shares in issue as at the Latest Practicable Date:	3,910,478,000
Number of H Rights Shares proposed to be issued on the basis of: (i) up to 2.2 H Rights Shares for every ten (10) existing H Shares; and (ii) the number of H Shares in issue as at the Latest Practicable Date:	Up to 860,305,160
Subscription Price for the H Rights Shares:	The Subscription Price is to be determined based on a discount to market price having regard to the trading prices of the A Shares and the H Shares on the secondary markets before the publication of the Rights Issue announcement, provided that the Subscription Price will not be lower than the most recent audited net asset value per Share of the Company before the Rights Issue as determined by a domestic auditor in accordance with the PRC GAAP (on the basis of the total number of Shares in issue as at 31 December 2010). The final Subscription Price shall be determined by the Board (or its authorized delegates) pursuant to the authorization of the shareholders' meeting in consultation with the sponsor(s)/lead underwriter(s) on the Price Determination Date. The Subscription Price for the A Rights Shares and the H Rights Shares (after adjustment in the exchange rates) shall be the same. The closing price of the A Shares and H Shares as at the date of this announcement was RMB12.98 and HK\$18.14, respectively

The Company's intention is to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Hong Kong Listing Rules in order to maintain the minimum public float requirement set out under Rule 8.08(1) of the Hong Kong Listing Rules.

A Share Rights Issue

Basis of the A Share Rights Issue:	Up to 2.2 A Rights Shares for every ten (10) existing A Shares held on the relevant A Share Record Date by the Qualifying A Shareholders
Number of Shares in issue as at the Latest Practicable Date:	21,576,608,885
Number of A Shares in issue as at the Latest Practicable Date:	17,666,130,885
Number of A Rights Shares proposed to be issued on the basis of: (i) up to 2.2 A Rights Shares for every ten (10) existing A Shares; and (ii) the number of A Shares in issue as at the Latest Practicable Date:	Up to 3,886,548,794
Subscription Price for the A Rights Shares:	The Subscription Price is to be determined based on a discount to market price having regard to the trading prices of the A Shares and the H Shares on the secondary markets before the publication of the Rights Issue announcement, provided that the Subscription Price will not be lower than the most recent audited net asset value per Share of the Company before the Rights Issue as determined by a domestic auditor in accordance with the PRC GAAP (on the basis of the total number of Shares in issue as at 31 December 2010). The final Subscription Price shall be determined by the Board (or its authorized delegates) pursuant to the authorization of the shareholders' meeting in consultation with the sponsor(s)/lead underwriter(s) on the Price Determination Date. The Subscription Price for the A Rights Shares and the H Rights Shares (after adjustment in the exchange rates) shall be the same. The closing price of the A Shares and H Shares as at the date of this announcement was RMB12.98 and HK\$18.14, respectively

Qualifying H Shareholders

The Company will send the H Share Rights Prospectus to the Qualifying H Shareholders (and to the Excluded Shareholders for information purposes only). To qualify for the H Share Rights Issue, a Shareholder must:

- (i) be registered as a shareholder of the Company on the H Share Record Date; and
- (ii) not be an Excluded Shareholder.

The Company will announce before the commencement of the H Share Rights Issue, the date by which the H Shareholders must lodge any transfers of existing H Shares (together with the relevant H Share certificates) with the Company's H Share registrar, in order for the transferee to be registered as a shareholder of the Company on or before the H Share Record Date.

H Share Record Date

The H Share Record Date and the trading arrangements for the nil-paid H Rights Shares will be fixed by the Board later and once so fixed, a further announcement will be made by the Company. The H Share Rights Issue will proceed only after the Rights Issue has been approved by the Shareholders at the EGM, the H Shareholders at the H Shareholders Class Meeting and the A Shareholders at the A Shareholders Class Meeting and all other conditions to the Rights Issue have been fulfilled. The H Share Record Date will not precede the date of the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting or the date on which all relevant PRC governmental and regulatory approvals have been granted to the Company in relation to the Rights Issue.

Subscription Price

The Subscription Price is to be determined based on a discount to market price having regard to the trading prices of the A Shares and the H Shares on the secondary markets before the publication of the Rights Issue announcement, provided that the Subscription Price will not be lower than the most recent audited net asset value per Share of the Company before the Rights Issue as determined by a domestic auditor in accordance with the PRC GAAP (on the basis of the total number of Shares in issue as at 31 December 2010). The final Subscription Price shall be determined by the Board (or its authorized delegates) pursuant to the authorization of the shareholders' meeting in consultation with the sponsor(s)/lead underwriter(s) on the Price Determination Date. The Subscription Price for the A Rights Shares and the H Rights Shares (after adjustment in the exchange rates) shall be the same. The closing price of the A Shares and H Shares as at the date of this announcement was RMB12.98 and HK\$18.14, respectively.

The latest audited net asset value per Share as stated in the audited consolidated financial statements of the Company as at 31 December 2010 prepared under PRC GAAP (on the basis of the total number of Shares in issue as at 31 December 2010) amounted to RMB6.21.

Trading of the H Rights Shares

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the Company's H Share registrar will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Company regarding the trading arrangements for the H Rights Shares (in both forms) after such arrangements have been finalised by the Board.

Status of the H Rights Shares

The H Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the H Shares then in issue. Holders of fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

Rights of Overseas Shareholders

The H Share Rights Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will make enquiries regarding the feasibility of extending the H Share Rights Issue to the Overseas Shareholders. If, based on advice received from the relevant legal advisers, the Board considers that it is necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (that is, those Overseas Shareholders who are the Excluded Shareholders) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place, the H Share Rights Issue will not be made available to the Excluded Shareholders.

The Company will, to the extent permitted by relevant laws, send copies of the H Share Rights Prospectus to the Excluded Shareholders for their information only, but the Company will not send any provisional allotment letters or excess application forms to the Excluded Shareholders.

Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form as soon as practicable after the commencement of the dealings in the nil-paid H Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be divided on a pro rata basis to the Excluded Shareholders, provided that the Company will pay individual amounts of more than HK\$100 to the relevant Excluded Shareholders in Hong Kong dollars and will retain individual amounts of HK\$100 or less for its own benefit.

Application for Excess H Rights Shares

Qualifying H Shareholders of the Company may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders and for any H Rights Shares provisionally allotted to the Qualifying H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be dispatched to the Qualifying H Shareholders together with the H Share Rights Issue Prospectus and lodging the same with a separate remittance for such excess H Rights Shares.

Any excess H Rights Shares will, at the sole discretion of the Board, be allocated and allotted on a fair and reasonable basis and as far as practicable, (i) preference will be given to those applications that will top-up odd lots to whole board lots, unless the total number of excess H Rights Shares are not sufficient to top up all odd lots into whole board lots, and (ii) after applying the principle in (i) above, the remaining excess H Rights Shares (if preference will be given) or all excess H Rights Shares (if no preference will be given) will be allocated to Qualified H Shareholders who have applied for excess H Rights Shares on a pro rata basis with reference to their number of excess H Rights Shares applied for.

Conditions of the H Share Rights Issue

It is expected that the H Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the EGM;
- (ii) the approval of the Rights Issue at the H Shareholders Class Meeting and the A Shareholders Class Meeting, respectively;
- (iii) the approval of the CBRC for the Rights Issue;
- (iv) the approval of the CSRC for the Rights Issue;

- (v) the Listing Committee of the Hong Kong Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the H Share Rights Prospectus; and
- (vi) the delivery to the Hong Kong Stock Exchange and filing and registration of all documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Registrar of Companies in Hong Kong.

None of the above conditions for completion of the H Share Rights Issue may be waived by the Company or has been satisfied as at the date of this announcement. If the conditions are not fulfilled, the H Share Rights Issue will not proceed.

Conditions of the A Share Rights Issue

It is expected that the A Share Rights Issue will be conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the EGM;
- (ii) the approval of the Rights Issue at the A Shareholders Class Meeting and H Shareholders Class Meeting, respectively;
- (iii) the approval of the CBRC for the Rights Issue;
- (iv) the approval of the CSRC for the Rights Issue; and
- (v) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Share Rights Issue.

None of the above conditions for the completion of the A Share Rights Issue may be waived by the Company or has been satisfied as at the date of this announcement. If the conditions are not fulfilled, the A Share Rights Issue will not proceed.

Shareholders Approvals for Rights Issue

Under the applicable PRC laws and regulations and the articles of association of the Company, the following Shareholders' approvals are required for the Rights Issue:

- (i) approval of the Rights Issue (both the A Share Rights Issue and the H Share Rights Issue) by special resolution passed at the EGM by at least two-thirds of the Shares with voting rights represented by the Shareholders (or their proxies) attending the EGM;
- (ii) approval of the Rights Issue (both the A Share Rights Issue and the H Share Rights Issue) by special resolution passed at the A Shareholders Class Meeting by at least two-thirds of the Shares with voting rights represented by the A Shareholders (or their proxies) attending the A Shareholders Class Meeting; and

- (iii) approval of the Rights Issue (both the A Share Rights Issue and the H Share Rights Issue) by special resolution passed at the H Shareholders Class Meeting by at least two-thirds of the Shares with voting rights represented by the H Shareholders (or their proxies) attending the H Shareholders Class Meeting.

Appropriate resolutions will be proposed at the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting, respectively, to obtain such approvals.

Registered Capital and Amendments to the Articles of Association

As a result of the completion of the Rights Issue, the registered capital of the Company will be increased and certain amendments will be made to the Articles of Association of the Company in relation to such increase in the registered capital of the Company. The Company will duly comply with the relevant PRC laws and regulations and the requirements as set out under the Hong Kong Listing Rules in respect of such amendments to the Articles of Association. Details of such amendments will be provided to the Shareholders in a further announcement to be issued by the Company in due course.

Underwriting

The Company's intention is to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Hong Kong Listing Rules and such underwriting will be conducted in accordance with the requirements of the Hong Kong Listing Rules to ensure that the Company is able to comply with the minimum public float requirement set out under Rule 8.08(1) of the Hong Kong Listing Rules. Details on the underwriting arrangement in relation to the Rights Issue will be provided to the Shareholders in a further announcement on the Rights Issue to be issued by the Company in due course.

The A Share Rights Issue will however proceed on a non-underwritten basis as required under the applicable PRC laws and regulations. Under the applicable PRC laws and regulations and as classified by the CSRC, the A Share Rights Issue may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Share Rights Issue. The rights to subscribe for the A Shares which are not taken up will lapse and no new A Shares will be issued or allotted pursuant to such rights.

Further Announcement and Issuance of H Share Rights Prospectus in relation to the Rights Issue

Prior to the commencement of the H Share Rights Issue, the Company will make a further announcement and issue the H Share Rights Prospectus which will contain all the relevant details of the Rights Issue, including the Subscription Price, the period of closure of the register of members and the Record Date, the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, trading arrangements of the H Rights Shares, the arrangements for excess H Rights Shares, the underwriting arrangement and the expected timetable of the Rights Issue.

Reasons for the Rights Issue and Use of Proceeds

The purpose of the Rights Issue is to improve the capital adequacy ratio of the Company to support the continuing development and growth of its business. The Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole and the Rights Issue is an appropriate mean of raising capital to improve the capital adequacy of the Company.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue (assuming the Rights Issue is conducted on the basis of 2.2 Rights Shares for every ten (10) existing Shares with full subscription for the A Rights Shares and the H Rights Shares and no change in the issued share capital of the Company between the Latest Practicable Date and the Record Date):

Share class	Total number of issued Shares before the Rights Issue as at the Latest Practicable Date	Percentage of the total number of issued Shares (%)	Number of Shares to be issued under the Rights Issue ^(Note 1)	Total number of issued Shares immediately after the Rights Issue ^(Note 1)	Percentage of the total number of issued Shares immediately after the Rights Issue ^(Note 1)
H Shares ^(Note 2)	3,910,478,000	18.12	860,305,160	4,770,783,160	18.12
A Shares ^(Note 2)	17,666,130,885	81.88	3,886,548,794	21,552,679,679	81.88
TOTAL	21,576,608,885	100.00	4,746,853,954	26,323,462,839	100.00

Notes:

- (1) Based on the number of the Shares to be issued under the Rights Issue assuming on the basis of 2.2 Rights Shares for every ten (10) existing Shares in issue.
- (2) As at the Latest Practicable Date, China Merchants Group Limited, a substantial shareholder of the Company, holds (via its subsidiaries) 3,976,264,193 A Shares and 42,857,691 H Shares, respectively, representing in aggregate approximately 18.63% of the issued share capital of the Company.

Immediately after the Rights Issue and assuming China Merchants Group Limited subscribes in full of its entitlements under the Rights Issue, China Merchants Group will hold (via its subsidiaries) 4,851,042,315 A Shares and 52,286,383 H Shares, respectively, representing in aggregate 18.63% of the issued share capital of the Company.

China Merchants Group Limited is not regarded as a public shareholder of the Company. Save as disclosed above, all Shareholders are regarded as public shareholders of the Company.

The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue (assuming the Rights Issue is conducted on the basis of 2.2 Rights Shares for every ten (10) existing Shares with 70% subscription level for the A Rights Shares and full subscription of the H Rights Shares and no change in the issued share capital of the Company between the Latest Practicable Date and the Record Date):

Share class	Total number of issued Shares before the Rights Issue as at the Latest Practicable Date	Percentage of the total number of issued Shares (%)	Number of Shares to be issued under the Rights Issue ^(Note 1)	Total number of issued Shares immediately after the Rights Issue ^(Note 1)	Percentage of the total number of issued Shares immediately after the Rights Issue ^(Note 1)
H Shares ^(Note 2)	3,910,478,000	18.12	860,305,160	4,770,783,160	18.96
A Shares ^(Note 2)	17,666,130,885	81.88	2,720,584,156	20,386,715,041	81.04
TOTAL	21,576,608,885	100.00	3,580,889,316	25,157,498,201	100.00

Notes:

- (1) Based on the number of the Shares to be issued under the Rights Issue assuming on the basis of 2.2 Rights Shares for every ten (10) existing Shares in issue with 70% subscription level for the A Rights Shares and full subscription of the H Rights Shares.
- (2) As at the Latest Practicable Date, China Merchants Group Limited, a substantial shareholder of the Company, holds (via its subsidiaries) 3,976,264,193 A Shares and 42,857,691 H Shares, respectively, representing in aggregate approximately 18.63% of the issued share capital of the Company.

Immediately after the Rights Issue and assuming China Merchants Group Limited subscribes 70% of its entitlement under the A Share Rights Issue and its full entitlement under the H Share Rights Issue, China Merchants Group will hold (via its subsidiaries) 4,588,608,879 A Shares and 52,286,383 H Shares, respectively, representing in aggregate 18.45% of the issued share capital of the Company.

China Merchants Group Limited is not regarded as a public shareholder of the Company. Save as disclosed above, all Shareholders are regarded as public shareholders of the Company.

As at the date of this announcement, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for new Shares.

GENERAL

This announcement is made pursuant to the general disclosure requirements under Rule 13.09(1) of the Hong Kong Listing Rules.

Shareholders' Approvals

It is proposed that the EGM, the H Shareholders Class Meeting and the A Shareholders Class Meeting will be convened on Friday, 9 September 2011, to propose resolutions to vote by poll, among other matters, to approve the Rights Issue (comprising both the A Share Rights Issue and the H Share Rights Issue).

Circular

A circular containing, among other things, the notices convening the EGM and the H Shareholders Class Meeting will be dispatched to the H Shareholders as soon as practicable in accordance with the Articles of Association of the Company.

The H Share Rights Issue is conditional upon the fulfilment of the conditions set out under the section headed “Conditions of the H Share Rights Issue” in this announcement. If any of the conditions is not fulfilled, the H Share Rights Issue will not proceed. Investors are advised to exercise caution when dealing in the H Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“A Rights Shares”	the new A Shares proposed to be allotted and issued to Qualifying A Shareholders pursuant to the A Share Rights Issue (less any A Shares not taken up by the A Shareholders)
“A Share(s)”	PRC-listed domestic share(s) of par value of RMB1.00 each in the registered capital of the Company
“A Share Record Date”	a date to be determined by the Board by reference to which entitlements to the A Share Rights Issue are to be determined
“A Share Rights Issue”	the proposed issue of up to 3,886,548,794 A Rights Shares at the Subscription Price on the basis of up to 2.2 A Rights Shares for every ten (10) existing A Shares held on the relevant A Share Record Date
“A Shareholders”	holders of the A Shares
“A Shareholders Class Meeting”	the 2011 first class meeting of the A Shareholders to be convened on Friday, 9 September 2011 to consider and, if thought fit, approve, among other matters, the Rights Issue
“Board”	the board of Directors
“Company”	China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the H Shares of which are listed on the Hong Kong Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange
“CBRC”	China Banking Regulatory Commission
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited

“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“EGM”	the 2011 first extraordinary general meeting of the Shareholders to be convened on Friday, 9 September 2011 to consider and, if thought fit, approve, among other matters, the Rights Issue
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient to exclude any such Overseas Shareholder(s) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“H Rights Shares”	the new H Shares proposed to be allotted and issued to the Qualifying H Shareholders pursuant to the H Share Rights Issue
“H Share(s)”	overseas listed foreign share(s) of par value of RMB1.00 each in the registered capital of the Company
“H Share Record Date”	a date to be determined by the Board by reference to which entitlements to the H Share Rights Issue are to be determined
“H Share Rights Issue”	the proposed issue of up to 860,305,160 H Rights Shares at the Subscription Price on the basis of up to 2.2 H Rights Shares for every ten (10) existing H Shares held on the H Share Record Date
“H Share Rights Prospectus”	the prospectus to be issued by the Company and dispatched to the H Shareholders in respect of the H Share Rights Issue containing further details of the H Share Rights Issue
“H Shareholder(s)”	the holder(s) of H Shares
“H Shareholders Class Meeting”	the 2011 first class meeting of the H Shareholders to be convened on Friday, 9 September 2011 to consider and, if thought fit, approve, among other matters, the Rights Issue
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Latest Practicable Date”	15 July 2011, being the latest practicable date prior to the issue of this announcement for the purpose of ascertaining information for inclusion herein
“Overseas Shareholder(s)”	H Shareholders whose name(s) appear on the register of members of the Company on the H Share Record Date and whose address(es) is/are in a place outside Hong Kong
“PRC”	the People’s Republic of China
“PRC GAAP”	the accounting rules and regulations in the PRC
“Price Determination Date”	the date on which the Subscription Price will be fixed for the purposes of the Rights Issue, being a trading day prior to the date of the announcement in respect of the Rights Issue to be published by the Company
“Qualifying A Shareholder(s)”	A Shareholders whose name(s) appear(s) on the register of members of the Company on the A Share Record Date
“Qualifying H Shareholder(s)”	H Shareholders whose name(s) appear(s) on the register of members of the Company on the H Share Record Date and who are not Excluded Shareholders
“Qualifying Shareholder(s)”	collectively, the Qualifying A Shareholders and the Qualifying H Shareholders
“Record Date”	collectively, the A Share Record Date and/or the H Share Record Date
“Relevant Exchange Rate”	the middle rate quoted by The People’s Bank of China for the exchange of RMB and HK\$ immediately before the close of business on the Price Determination Date or such other appropriate exchange rate as determined by the Board
“Rights Issue”	collectively, the A Share Rights Issue and the H Share Rights Issue
“Rights Share(s)”	collectively, the H Rights Share(s) and the A Rights Share(s)
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“Share(s)”	A Share(s) and H Share(s)
“Shareholders”	holder(s) of the Shares
“Subscription Price”	the final subscription price for the A Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
CHINA MERCHANTS BANK CO., LTD.
Fu Yuning
Chairman

18 July 2011

As at the date of this announcement, the executive directors of the Company are Ma Weihua, Zhang Guanghua and Li Hao; the non-executive directors of the Company are Fu Yuning, Wei Jiafu, Li Yinquan, Fu Gangfeng, Hong Xiaoyuan, Sun Yueying, Wang Daxiong and Fu Junyuan; and the independent non-executive directors of the Company are Wu Jiesi, Yi Xiqun, Yan Lan, Chow Kwong Fai, Edward, Liu Yongzhang and Liu Hongxia.