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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from China Merchants Bank Co., Ltd. (the "**Company**") and will contain detailed information about the Company and management, as well as financial statements. The Company does not intend to register the H Shares in the United States.*

*Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated September 8, 2006 (the "**Prospectus**") issued by the Company.*

招商銀行
CHINA MERCHANTS BANK
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: 3968)

EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by the Joint Bookrunners on behalf of the International Purchasers on September 27, 2006 in respect of an aggregate of 220,000,000 H Shares, representing 10% of the initial size of the Global Offering. The said 220,000,000 H Shares will be issued and allotted by the Company at HK$8.55 per H Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.005% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Hong Kong Public Offering and the International Offering.

Pursuant to an approval issued by SASAC dated May 17, 2006 entitled "Feedback on Issues Relating to Transfer of State-owned Shares of China Merchants Bank Co., Ltd.," an approval issued by the SSF dated May 23, 2006 entitled "Letter on Issues Relating to Listing of China Merchant Bank Co., Ltd on the Hong Kong Stock Exchange", and other written documents issued by certain state-owned shareholders, the state-owned shareholders of the Company are required to transfer to the SSF, in proportion to their respective shareholdings out of the total state-owned shareholdings, 22,000,000 A Shares, in aggregate equivalent to 10% of the number of the H Shares issued by the Company pursuant to the exercise of the Over-allotment Option. The A Shares transferred to the SSF from the state-owned shareholders will be converted into H Shares on a one-for-one basis. Neither the state-owned shareholders nor the Company will receive any proceeds from the transfer of the shares to the SSF or from any subsequent disposal of such H Shares by the SSF.

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by the Joint Bookrunners on behalf of the International Purchasers on September 27, 2006 in respect of an aggregate of 220,000,000 H Shares (the "**Over-allotment Shares**"), representing 10% of the initial size of the Global Offering. The Over-allotment Shares will be issued and allotted by the Company at HK$8.55 per H Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.005% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Hong Kong Public Offering and the International Offering. The Over-allotment Shares will be used to cover, among other things, over-allocations in the International Offering.

Pursuant to an approval issued by SASAC dated May 17, 2006 entitled "Feedback on Issues Relating to Transfer of State-owned Shares of China Merchants Bank Co., Ltd.," an approval issued by the SSF dated May 23, 2006 entitled "Letter on Issues Relating to Listing of China Merchant Bank Co., Ltd on the Hong Kong Stock Exchange", and other written documents issued by certain state-owned shareholders, the state-owned shareholders of the Company are required to transfer to the SSF, in proportion to their respective shareholdings out of the total state-owned shareholdings, 22,000,000 A Shares, in aggregate representing 10% of the number of the H Shares issued by the Company pursuant to the exercise of the Over-allotment Option. The A Shares transferred to the SSF from the state-owned shareholders will be converted into H Shares on a one-for-one basis (the "**Conversion**"). Neither the state-owned shareholders nor the Company will receive any proceeds from the transfer of the shares to the SSF or from any subsequent disposal of such H Shares by the SSF. It is expected that the Conversion will be completed by October 5, 2006 after the completion of the delisting of the A Shares and registration of the H Shares.

Immediately after the issuance and allotment of the Over-allotment Shares and the completion of the Conversion, the number of H shares in public hands represents 18.11% of the total issued share capital of the Company and the number of shares of the Company held in public hands will represent at least 25% of the total issued share capital of the Company.

Listing of and permission to deal in the Over-allotment Shares and the H shares to be held by the SSF upon the completion of the Conversion (the "**Converted H Shares**") have already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in the Over-allotment Shares and the Converted H Shares are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:30 a.m. on October 5, 2006.

The shareholding structure of the Company immediately before the issue by the Company of the Over-allotment Shares and after the issuance and allotment of the Over-allotment Shares and the completion of the Conversion (assuming no further conversion of the Company's convertible bonds subsequent to August 15, 2006) are as follows:

	Immediately before the issue of the Over-allotment Shares		**Immediately after the issue of the Over-allotment Shares and the completion of the Conversion**	
	Number of Shares	**Approximate percentage of the Company's issued share capital**	**Number of Shares**	**Approximate percentage of the Company's enlarged issued share capital**
A Shares	12,060,903,307	83.29%	12,038,903,307	81.89%
H Shares	2,420,000,000	16.71%	2,662,000,000	18.11%
Total number of Shares	14,480,903,307	100.0%	14,700,903,307	100.0%

The net proceeds of approximately HK$1,827.20 million from the issue of 220,000,000 H Shares by the Company pursuant to the exercise of the Over-allotment Option will be used by the Company for the same purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

By order of the Board
China Merchants Bank Co., Ltd.
Qin Xiao
Chairman

Hong Kong, September 27, 2006

As at the date of this announcement, the executive directors of the Company are Ma Weihua and Chen Wei; the non-executive directors of the Company are Qin Xiao, Wei Jiafu, Fu Yuning, Li Yinquan, Huang Dazhan, Tan Yueheng, Sun Yueying, Wang Daxiong and Fu Junyuan; and the independent non-executive directors of the Company are Wu Jiesi, Lin Chuxue, Austin Hu Chang Tau, Chow Kwong Fai, Edward, Liu Yongzhang and Liu Hongxia.

Please also refer to the published version of this announcement in ***South China Morning Post.***