
Morgan Stanley



For Immediate Release

Morgan Stanley and Huaxin Securities Venture Officially Launches

SHANGHAI, June 10, 2011 – Morgan Stanley (NYSE: MS) and Huaxin Securities Co. Ltd (also known as China Fortune Securities Co. Ltd) today jointly announced the operational commencement of their securities joint venture in China. The establishment of the joint venture was approved by China Securities Regulatory Commission on December 31, 2010.

The joint venture, Morgan Stanley Huaxin Securities Company Limited, is registered and principally located in Shanghai. The registered capital is RMB 1.02 billion (approximately US\$ 158 million). Huaxin Securities holds a two-thirds stake in the joint venture while Morgan Stanley owns a one-third interest. The scope of business includes underwriting and sponsorship of shares in the domestic China market (including A shares and foreign investment shares), as well as underwriting, sponsorship and proprietary trading of bonds (including government and corporate bonds).

Morgan Stanley and Huaxin Securities also announced details of the joint venture's board of directors. There will be nine members of the board, assigned by Huaxin Securities and Morgan Stanley. In addition, Wang Wenxue, the chairman of Huaxin Securities, has been appointed as Chairman of Morgan Stanley Huaxin Securities Company Limited, and Yang Kai, a Managing Director of Morgan Stanley, as Chief Executive Officer. Mr. Yang was most recently CEO of Hangzhou Industrial & Commercial Trust Co. Ltd., a trust joint venture in which Morgan Stanley owns a 19.9% stake.

Commenting on today's announcement, James P. Gorman, President and CEO of Morgan Stanley, said, "Morgan Stanley is proud of its long history of commitment and success in China, a market that remains a major priority within our international growth strategy. Today's launch is an important milestone that allows us to bring to China and to domestic clients many of Morgan Stanley's core capital market skills and competencies."

Mr. Wang, Chairman of Morgan Stanley Huaxin Securities, said, “With the rapid development of China’s capital markets, the launch of our joint venture is well timed. Together we are confident of building a top tier domestic investment banking firm that will provide world-class financial services to our clients, while contributing to the advancement of China’s capital markets.”

“Today’s announcement completes the core elements of Morgan Stanley’s domestic capabilities build out in China,” said Wei Sun Christianson, Asia Pacific Co-CEO and China CEO of Morgan Stanley. “We are confident about the future of the new joint venture, based not only on the complementary expertise both parties bring, but also on the long relationship and true partnership that Morgan Stanley and Huaxin Securities have forged over the last five years.”

In 1993, Morgan Stanley was one of the first global investment banks to establish a presence in China. Two years later, the Firm co-founded China International Capital Corporation (CICC), the first Sino-foreign securities JV in China, together with China Construction Bank. In 2006, Morgan Stanley became the first foreign bank to own a wholly-owned commercial banking license in China, now called Morgan Stanley Bank International (China). In 2008, the Firm announced the formation of a trust joint venture, Hangzhou Industrial and Commercial Trust. In the same year, Morgan Stanley partnered with Huaxin Securities to jointly invest into a fund management company, Morgan Stanley Huaxin Fund Management Company. Last month, Morgan Stanley established a RMB private equity investment management firm in Hangzhou. In addition, Morgan Stanley is active in other China-related businesses, including M&A advisory, offshore capital raising, fixed income and merchant banking.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm’s employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,300 offices in 42 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

Huaxin Securities Co. Ltd was established in Shenzhen in March 2001 with a registered capital of RMB 1.6 billion. Huaxin Securities has a broad range of businesses across securities, funds and futures products including securities brokerage, proprietary trading, underwriting and sponsorship, asset management, investment consulting as well as financial advisory services. Huaxin Securities operates 21 branches in Beijing, Shanghai, Xi'an, Shenzhen and Changzhou. For further information about Huaxin Securities Co. Ltd, please visit www.cfsc.com.cn or www.cfsc.cn.

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Media Relations:

Ms. Xu Li:

Tel: 86 10 8356 3906