
Morgan Stanley

HANGZHOUTRUST

For Immediate Release

Morgan Stanley and Hangzhou Trust Establish RMB Private Equity Fund Management Joint Venture

HANGZHOU, CHINA, May 18, 2011 – Morgan Stanley (NYSE: MS) and Hangzhou Industrial & Commercial Trust Co., Ltd (Hangzhou Trust) today announced the establishment of a renminbi (RMB) private equity fund management joint venture.

The new joint venture, Morgan Stanley (China) Private Equity Investment Management Company Limited, is registered and headquartered in Hangzhou, Zhejiang Province, China. Morgan Stanley holds an 80% stake in the new entity with Hangzhou Trust owning the remaining interest. The joint venture, which will be the management company for Morgan Stanley's RMB-denominated private equity investments in China, is planning to raise its first RMB denominated private equity fund with a target size of RMB 1.5 billion (approximately US\$ 225 million). The RMB fund will target investment opportunities across China, with an emphasis on Zhejiang Province and the city of Hangzhou.

The establishment of the private equity investment management joint venture also further strengthens the strategic partnership between Morgan Stanley and the Hangzhou Municipal Government in the area of asset management. Today's announcement follows an MOU signed by the two parties in December 2010 to further their cooperation in the financial services industry in the city.

Asia Pacific Co-CEO and China CEO of Morgan Stanley, Ms. Wei Sun Christianson, said, "We are pleased to broaden and deepen our cooperation with the city of Hangzhou. In addition, through private equity investments, Morgan Stanley looks forward to playing an important role in supporting the development of some of China's fast growing companies." She added, "In line with our strategy to continue to expand our domestic footprint in China, the new RMB private equity fund adds to a broad suite of financial services and products that Morgan Stanley offers to

institutional and individual clients.”

Speaking at today’s opening ceremony in Hangzhou, Mr. Edmond Moriarty, Chief Operating Officer of Morgan Stanley Investment Management, said, “Morgan Stanley is dedicated to becoming Hangzhou’s strategic advisor in asset management, and will continue to contribute its global expertise and resources to the city.”

Mr. Ding Jianping, President of Hangzhou Trust, said, “The establishment of the private equity investment management joint venture marks a second important milestone for us since Morgan Stanley invested in Hangzhou Trust in 2008. The new joint venture will significantly benefit the development of the local private equity industry.”

Morgan Stanley, through Morgan Stanley Private Equity Asia (MSPEA), is one of the leading private equity investors in Asia. The group has invested across the region and in China for more than 18 years. MSPEA has successfully invested in many industry leading companies in China, including Ping An Insurance, Mengniu Dairy, Belle International, Dongxiang Sports, Shanshui Cement, Sihuan Pharma and Nature Flooring.

Morgan Stanley took a 19.9% stake and formed a strategic business alliance with Hangzhou Trust in November 2008. The trust platform combines Hangzhou Trust’s local expertise with Morgan Stanley’s global experience and perspectives and has provided clients with a broad spectrum of financial products and services.

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.

Morgan Stanley has been in China Market since 1993 and has developed a diversified business

platform in China. The Firm's business platforms in China include Morgan Stanley Bank International (China) Limited, Morgan Stanley Huaxin Asset Management and Hangzhou Industrial and Commercial Trust. In addition, Morgan Stanley has received regulatory approval to form a domestic securities joint venture, Morgan Stanley Huaxin Securities. For further information about Morgan Stanley China, please visit www.morganstanleychina.com.

Hangzhou Industrial & Commercial Trust Co., Ltd. is a leading provider of innovative financial services encompassing investment management, corporate finance, and fiduciary services. The company is committed to providing customized financial solutions and superior risk-adjusted investment returns for its institutional, corporate, and private clients. For more information about Hangzhou Trust, please visit www.hztrust.com

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