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Morgan Stanley

Non-collateralised Structured Products

Notice of Valuation of Residual Value of European Style Cash Settled Category R Callable Bull/Bear Contracts (“CBBCs”)

Issuer: Morgan Stanley Asia Products Limited

(incorporated in the Cayman Islands with limited liability)

Guarantor: Morgan Stanley

(incorporated in the State of Delaware, United States of America)

Manager: Morgan Stanley Asia Limited

(incorporated in Hong Kong)

Announcement

Terms not defined in this notice have the same meaning as defined in the terms and conditions of the CBBCs (“**Conditions**”).

The Issuer announces that under the Conditions, following the occurrence of a mandatory call event (“**MCE**”) in respect of the CBBCs described in the table below in the pre-opening session or the continuous trading session or the closing auction session (as the case may be) of the Stock Exchange at the time (“**MCE Time**”) and on the date (“**MCE Date**”) specified in the table below, the Residual Value in respect of the CBBCs has been determined as follows:

Stock Code	Type	MCE Date	MCE Time	Issue Size (CBBCs)	Underlying	Divisor	Index Currency Amount (HK\$)	Board Lot (CBBCs)	Strike Level	Maximum / Minimum Index Level	Residual Value per Board Lot (HK\$)
61231	Bear	11 August 2020	13:10:10	100,000,000	Hang Seng Index	10,000	1	10,000	25,100	25,031.57	68.43

In respect of a series of Bull CBBCs, the Residual Value per Board Lot is calculated by the Issuer in accordance with the following formula:

$$\frac{(\text{Minimum Index Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

In respect of a series of Bear CBBCs, the Residual Value per Board Lot is calculated by the Issuer in accordance with the following formula:

$$\frac{(\text{Strike Level} - \text{Maximum Index Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

Subject to the occurrence of a settlement disruption event, the residual value (if any) will be delivered to HKSCC Nominees Limited (as the registered holder of the CBBCs) no later than 17 August 2020, which is three CCASS settlement days following the end of the MCE valuation period. HKSCC Nominees Limited will then distribute such amount to the securities account(s) of relevant broker(s) (and if applicable, the custodian(s) of such broker(s)) or to the CCASS Investor Participant securities account(s) of the relevant investor(s) (as the case may be).

Morgan Stanley Asia Products Limited

Hong Kong, 12 August 2020