

# MSCI<sup>®</sup> Consultation

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## MSCI TO CONSULT ON THE POTENTIAL INCLUSION OF HONG KONG LISTED CHINA PRIVATE ENTERPRISES IN THE MSCI CHINA UNIVERSE

**Singapore - March 4, 2005.** MSCI will consult with the investment community on a proposal to modify the current definition of the MSCI China universe to include China Private Enterprises listed on the Hong Kong Stock Exchange.

Although the current MSCI China definition captures a majority of the investment opportunities that are available to foreign investors, there are a number of China Private Enterprises listed on the Hong Kong Stock Exchange that are currently not included in the MSCI China universe but are considered by some foreign investors as Chinese investment opportunities.

Therefore, MSCI proposes to amend the current definition of the MSCI China universe to include certain China Private Enterprises listed on the Hong Kong Stock Exchange as follows:

“The MSCI China universe includes equity securities issued by companies incorporated in the People's Republic of China (PRC), and listed in the form of B shares on the Shanghai Stock Exchange (in US\$) or Shenzhen Stock Exchange (in HK\$), H shares on the Hong Kong Stock Exchange (in HK\$) or N-shares on the New York Stock Exchange (in US\$). The MSCI China universe also includes companies not incorporated in the PRC or the Hong Kong Special Administrative Regions, which satisfy both of the following conditions:

- The company is listed on the Hong Kong Stock Exchange; and
- The company’s major shareholders (directly or indirectly) are any of the following:
  - organizations or enterprises owned by the state, provinces or municipalities of the PRC or
  - companies incorporated in the PRC or
  - **PRC individuals.”**

MSCI is seeking feedback from the investment community on this proposed change in the definition of the MSCI China universe, including on the most appropriate criteria to define China Private Enterprises.

MSCI plans to contact directly some market participants to solicit feedback. Please note that the consultation may or may not lead to any change in the MSCI China universe definition. If MSCI determines to make any change, MSCI will make a public announcement in advance of the change. Feedback on the proposal should be sent by March 31, 2005.



## Consultation (Continued)

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For further information on MSCI indices or MSCI data, please visit our web site at [www.msci.com](http://www.msci.com) or contact:

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#### About MSCI

MSCI ([www.msci.com](http://www.msci.com)) is a leading provider of equity, fixed income and hedge fund indices, and related products and services. MSCI estimates that over USD 3 trillion is benchmarked to its indices on a worldwide basis. MSCI is headquartered in New York, with research and commercial offices around the world. In 2004, MSCI acquired Barra, Inc. ([www.barra.com](http://www.barra.com)), a global leader in delivering risk analytics, performance measurement and attribution systems and services to managers of portfolio and firm-wide investment risk. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and Capital International Inc., part of the global investment management group of The Capital Group Companies, Inc., is the minority shareholder.