

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To: The Distributors of the Notes:

Bank of China (Hong Kong) Limited	Chong Hing Bank Limited
Bank of Communications Co., Ltd. Hong Kong Branch	MEVAS Bank Limited
Chiyu Banking Corporation Limited	Nanyang Commercial Bank, Limited
CITIC Ka Wah Bank Limited	Public Bank (Hong Kong) Limited
Core Pacific-Yamaichi International (H.K.) Limited	Shanghai Commercial Bank Limited
Dah Sing Bank, Limited	Wing Hang Bank, Ltd.
ICEA Securities Ltd.	Wing Lung Bank Limited

To: The holders of the Octave Series 11 Notes (via Euroclear and/or Clearstream, Luxembourg)

Octave Notes Series 11

USD Credit-Linked Secured Callable Fixed Rate Notes due 2010 and extendable to 2013 (ISIN: XS0275300951) ("Tranche A Notes")

HKD Credit-Linked Secured Callable Fixed Rate Notes due 2010 and extendable to 2013 (ISIN: XS0275300365) ("Tranche B Notes")

(each a "Tranche" and the Notes of either or both Tranches, the "Notes") issued by Victoria Peak International Finance Limited pursuant to its Retail Note Programme (the "Programme")

We refer to our notice to holders of the Notes dated 22 September 2008 informing them that a Company or Sovereign Credit Event has occurred in relation to the Notes, and to our notice to distributors and holders of the Notes dated 24 February 2009 informing them that the Notes will be redeemed on the Company or Sovereign Credit Event Redemption Date, being 26 February 2009, in accordance with Special Condition B(1).

We are now writing to inform you that the Company or Sovereign Credit Event Redemption Amount for the Notes is zero and therefore no amounts are payable to holders of the Notes upon their redemption on the Company or Sovereign Credit Event Redemption Date. For the avoidance of doubt, no further amounts will be paid by the Issuer in respect of the Notes after their redemption on the Company or Sovereign Credit Event Redemption Date.

As a result of the unprecedented market conditions, there was a very significant decline in the market value of the Underlying Securities. The market price of the Underlying Securities achieved on the sale of the Underlying Securities was therefore substantially less than 100% of the par amount. Following the adjustment of the Company or Sovereign Credit Event Redemption Amount by application of the Collateral Depreciation Amount, the Company or Sovereign Credit Event Redemption Amount payable to holders of the Notes was determined to be zero.

For further details about how the Company or Sovereign Credit Event Redemption Amount was determined, please refer to the Schedule to this notice.

If you have any questions or queries regarding this notice or the Notes, please consult your own legal, tax, accountancy or other professional adviser as you may see fit.

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed thereto in the Master Conditions (as set out in the Programme Prospectus relating to the Programme dated 5 June 2006) and the Pricing Supplement relating to the Notes dated 15 November 2006.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kareem Robinson', written over a horizontal line.

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

BY: Kareem Robinson

25 February 2009

Schedule

In accordance with the Conditions of the Notes, the Company or Sovereign Credit Event Redemption Amount was determined by Morgan Stanley & Co. International plc as the Determination Agent, acting for and on behalf of the Issuer, as follows:

1. The Company or Sovereign Credit Event Redemption Amount was determined as:
 - (i) the market value of an Initial Principal Amount of Deliverable Obligations on the Valuation Date offered by the five Dealers selected by the Determination Agent, acting for and on behalf of the Issuer (which Dealers will not be affiliated to each other and may include Morgan Stanley & Co. International plc or any of its Affiliates), being USD2,383,800 for the Tranche A Notes and USD494,400 for the Tranche B Notes; as adjusted
 - (ii) to reflect the market value following the sale of the Underlying Securities as determined by the Determination Agent, acting for and on behalf of the Issuer, in its sole and absolute discretion. As the market value of the Underlying Securities was less than 100% of the par amount of the Underlying Securities, an amount (the "**Collateral Depreciation Amount**") equal to the difference between 100% of the par amount and such market value will be due from the Issuer to the Swap Counterparty. Such Collateral Depreciation Amount was determined by the Determination Agent to be USD17,679,850 for the Tranche A Notes and USD3,666,800 for the Tranche B Notes.
2. In respect of each of the Tranche A Notes and the Tranche B Notes, the Collateral Depreciation Amount exceeded the market value of an Initial Principal Amount of the Deliverable Obligations on the Valuation Date, and therefore the Company or Sovereign Credit Event Redemption Amount in respect of each Note was determined to be zero.

Investors in the Notes should refer to the Programme Prospectus relating to the Programme dated 5 June 2006 and the Issue Prospectus relating to the Notes dated 10 October 2006 for further information. Investors in the Notes should also refer to the notice to distributors of the Notes dated 22 September 2008 and the Frequently Asked Questions in relation to the Notes dated 8 October 2008 for further information. These documents and certain other documents and information in relation to the Notes can be viewed on the following website: www.morganstanley.com/octavenotes.