

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To:

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

Octave Notes Series 5

USD Credit-Linked Secured Callable Fixed Rate Notes due 2010 (ISIN: XS0222358938) ("Tranche A Notes")

USD Credit-Linked Secured Callable Range Accrual Notes due 2010 (ISIN: XS0222358771) ("Tranche B Notes")

HKD Credit-Linked Secured Callable Fixed Rate Notes due 2010 (ISIN: XS0222358698) ("Tranche C Notes")

HKD Credit-Linked Secured Callable Range Accrual Notes due 2010 (ISIN: XS0222358342) ("Tranche D Notes")

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

We refer to our notices to distributors of the Notes dated 11 September 2008, 1 December 2008, 8 December 2008, 31 March 2009, 7 May 2009, 2 July 2009 and 13 July 2009 informing you of recent credit events which have occurred in relation to the Underlying Securities for the Notes, the related loss calculations and the credit rating downgrade of the Underlying Securities.

As previously, although we are under no obligation to provide information in respect of the Notes or the Underlying Securities beyond that specified in the Offering Documents, in the present exceptional circumstances we believe it may be helpful to write to all Distributors to provide this further written information relating to the Notes and the Underlying Securities. We would encourage you to provide this information to your customers who invested in the Notes.

As at the date of this notice, the Underlying Securities for the Notes consist of Series 2005-14 Class II Secured Floating Rate Notes due 2010 issued by Morgan Stanley ACES SPC acting for the account of the Series 2005-14 Segregated Portfolio (the "Underlying Securities"). As at the Issue Date, the credit rating assigned by S&P to the Underlying Securities was "AAA".

As mentioned in our previous notices to distributors of the Notes dated 11 September 2008, 1 December 2008, 8 December 2008, 31 March 2009 and 13 July 2009, since the Issue Date, credit events have occurred in respect of Dana Corporation, Lehman Brothers Holdings Inc., Federal National Mortgage Association, Washington Mutual, Inc., Great Lakes Chemical

Corporation and Lear Corporation. Whilst these are not Reference Entities under the Notes, they are reference entities under the Underlying Securities. As mentioned in our notice to the distributors of the Notes dated 2 July 2009, the credit rating assigned by S&P to the Underlying Securities was previously lowered to "BBB-" (CreditWatch: Negative). As a result of recent market movements, the credit rating assigned by S&P to the Underlying Securities has been changed to "BBB-" on 20 July 2009.

As at the date of this notice, the occurrence of these credit events has not resulted in an Underlying Securities Default Event or an Early Redemption Event in relation to the Notes. The Issuer can give no assurance as to whether an Underlying Securities Default Event or an Early Redemption Event will or will not occur in relation to the Notes in the future.

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 or otherwise specified shall have the meanings ascribed thereto in the Issue Prospectus relating to the Notes dated 17 May 2005 (the "Issue Prospectus"). The Issue Prospectus and certain other documents and information in relation to the Notes can be viewed on the following website: www.morganstanley.com/octavenotes.

Yours faithfully



VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

By: **Kareem Robinson**

28 July 2009