

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To:

Bank of China (Hong Kong) Limited

Bank of Communications Co., Ltd. Hong Kong
Branch

Chiyu Banking Corporation Limited

Core Pacific-Yamaichi International (H.K.)
Limited

Fubon Bank (Hong Kong) Limited

ICEA Securities Ltd.

Chong Hing Bank Limited

Nanyang Commercial Bank, Limited

Shanghai Commercial Bank Limited

The Bank of East Asia, Limited

Wing Hang Bank, Ltd.

Wing Lung Bank Limited

Octave Notes Series 7

**USD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2011
(ISIN: XS0232216910) ("Tranche A Notes")**

**USD Credit-Linked Secured Callable Variable Rate Notes due 2011
(ISIN: XS0232215862) ("Tranche B Notes")**

**HKD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2011
(ISIN: XS0232215193) ("Tranche C Notes")**

**HKD Credit-Linked Secured Callable Variable Rate Notes due 2011
(ISIN: XS0232217645) ("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 are writing to you because of recent market events. 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 certain information relating to the Notes and the Underlying Securities.

The Issue Prospectus made clear in the sections headed "Information About the Underlying Securities" at pages 56 to 58 and "Risk Factors - Exchange Rate Risks" at pages 74 to 75 that the Original Underlying Securities may include CDO Squared Securities. The section headed "Risk Factors - Exposure to the Companies and Sovereign Entity and the Underlying Securities" at pages 68 to 70 also made clear that the Underlying Securities may consist of CDO Squared Securities. We informed the holders of the Notes at the time through the clearing systems by notification dated 14 October 2005 that the Original Underlying Securities for the Notes were the Series 2005-22 Secured Floating Rate Notes due 2011 issued by Morgan Stanley ACES SPC acting for the account of the Series 2005-22 Segregated Portfolio (the "**Original Underlying Securities**"). That notification also states that, as at the Issue Date, the credit rating assigned by S&P to the Original Underlying Securities was "AAA". Paragraph 38(a) of the Pricing Supplements dated 14 October 2005 relating to each Tranche

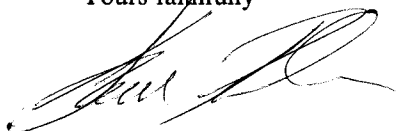
of the Notes which have always been available for inspection also set out the details of the Original Underlying Securities.

Since the Issue Date, credit events have occurred in respect of Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Dana Corporation, Calpine Corporation, Dura Automotive Systems, Inc. and Tembec Industries Inc. Whilst these are not Reference Entities under the Notes, they are reference entities under the Original Underlying Securities. As of 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.

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 12 September 2005.

Yours faithfully



VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

BY: Kareem Robinson
Director
4 November 2008