

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To the Distributors of the Notes:

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	MEVAS Bank Limited
CITIC Ka Wah Bank Limited	Nanyang Commercial Bank, Limited
Core Pacific-Yamaichi International (H.K.) Limited	Shanghai Commercial Bank Limited
Dah Sing Bank, Limited	Wing Hang Bank, Ltd.
	Wing Lung Bank Limited

Octave Notes Series 9

USD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2011 (ISIN: XS0259685492) ("Tranche A Notes")

HKD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2011 (ISIN: XS0259683950) ("Tranche B 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 notice to distributors of the Notes dated 11 December 2008 informing you of the recent credit event in respect of Tribune Company which has occurred in relation to the Underlying Securities for the Notes.

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 in relation to the Notes.

As at the date of this notice, the Underlying Securities for the Notes consist of the Series 2006-17 Class I Floating Rate Notes due 2011 issued by Morgan Stanley ACES SPC acting for the account of the Series 2006-17 Segregated Portfolio (the "**Underlying Securities**"). The Underlying Securities are Synthetic CDO Securities referenced to 100 Reference Entities, as defined and further described in the Private Placement Memorandum Supplement of the Underlying Securities dated 29 June 2006 (the "**PPMS**").

As set out in our notice to distributors dated 11 December 2008, a Credit Event has occurred in respect of Tribune Company. Whilst this is not a Company under the Notes, it is a Reference Entity under the Underlying Securities.

We are now in a position to provide you with further written information on the consequences of this Credit Event.

As of the date of this notice, the occurrence of the Credit Event referred to above has not resulted in an Underlying Securities Default Event or a Mandatory Redemption Event in relation to the Notes. The Issuer can give no assurance as to whether an Underlying Securities Default Event or a Mandatory Redemption Event will or will not occur in relation to the Notes in the future.

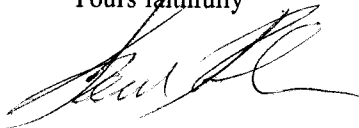
We have set out in Part A of the Annex below the following information in relation to the loss calculations in respect of the Underlying Securities following the occurrence of the Credit Event referred to above: the Reference Entity Notional Amount, the Weighted Average Final Price, the Reference Value and the Loss Amount.

As at the date hereof, the Credit Event referred to above is the only Credit Event which has occurred in relation to the Underlying Securities. Therefore, the Aggregate Loss Amount, being the sum of the Loss Amounts determined in respect of all Credit Events which have occurred in relation to the Underlying Securities since the issue date of the Underlying Securities, is equal to the Loss Amount in respect of the Credit Event referred to above, which is equal to USD95,812,500. The remaining threshold amount of the Underlying Securities (also sometimes referred to as the remaining subordination) after taking into account the occurrence of the Credit Event in respect of the above Reference Entity and the related loss calculations is USD349,187,500 (being the difference between the Lower Threshold Amount of USD445,000,000 and the Aggregate Loss Amount of USD95,812,500). For your convenience, we have set out in Part B of the Annex below the Lower Threshold Amount for the Underlying Securities (which is extracted from the PPMS for the Underlying Securities) and the current Aggregate Loss Amount.

We would encourage you to provide the information contained in this notice to your customers who invested in 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 5 June 2006 (the "Issue Prospectus") and the PPMS. The Issue Prospectus, the PPMS 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

21 January 2009

OCTAVE NOTES SERIES 9

ANNEX TO NOTICE TO DISTRIBUTORS DATED 21 JANUARY 2009

Part A

Reference Entity Notional Amount, Weighted Average Final Price, Reference Value and Loss Amount for each Reference Entity in respect of which Credit Events have occurred since the issue date of the Underlying Securities

Reference Entity	Reference Entity Notional Amount (USD)	Weighted Average Final Price	Reference Value (USD)	Loss Amount (USD)
Tribune Company	100,000,000	4.1875%	4,187,500	95,812,500

Part B

Lower Threshold Amount, Aggregate Loss Amount and remaining threshold amount in respect of the Underlying Securities as at the date of this notice

Lower Threshold Amount (USD)	Aggregate Loss Amount (USD)	Remaining threshold amount (USD)
445,000,000	95,812,500	349,187,500