

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 12 Notes (via Euroclear and/or Clearstream, Luxembourg)

Octave Notes Series 12

USD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 (ISIN: XS0275301926) ("Tranche A Notes")

HKD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 (ISIN: XS0275302817) ("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.

We are now writing to inform you that the Swap Counterparty has selected 24 February 2009 as the Valuation Date in respect of the Notes. Accordingly, the Notes are scheduled to be redeemed on the Company or Sovereign Credit Event Redemption Date, being 26 February 2009.

As referred to in the Frequently Asked Questions in relation to the Notes dated 8 October 2008, we anticipate that the amount that holders of the Notes will receive upon redemption of the Notes on the Company or Sovereign Credit Event Redemption Date will be zero.

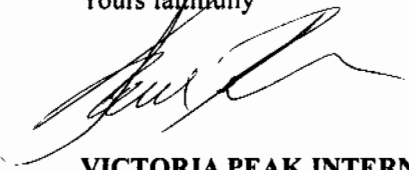
As set out in the Issue Prospectus for the Notes, upon the redemption of the Notes on the Company or Sovereign Credit Event Redemption Date, the holders of the Notes will receive their pro-rata share of the Company or Sovereign Credit Event Redemption Amount (being an amount equal to the market value of the 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), less the costs and expenses, as determined by the Swap Counterparty, of effecting the relevant market valuation), minus their pro-rata share of the depreciation in the market value of the Underlying Securities following the sale of the Underlying Securities, as effected by the Determination Agent, acting for and on behalf of the Issuer, in its sole and absolute discretion. In the case of the Tranche B Notes, which are denominated in Hong Kong dollars, the holders of such Notes will receive an amount

as determined above (if any) after conversion into Hong Kong dollars at the USD/HKD exchange rate prevailing on or about the Company or Sovereign Credit Event Redemption Date, as determined by the Determination Agent, acting for and on behalf of the Issuer, in its sole and absolute discretion acting in good faith.

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 holders 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.

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



VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

BY: Kareem Robinson

24 February 2009