

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	Public Bank (Hong Kong) Limited
Dah Sing Bank, Limited	Wing Hang Bank, Ltd.
	Wing Lung Bank Limited

To: The holders of the Octave Series 16 Notes (via Euroclear and/or Clearstream, Luxembourg)

Octave Notes Series 16

USD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 (ISIN: XS0281894864) ("Tranche A Notes")

HKD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 (ISIN: XS0281896646) ("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 notices to distributors of the Notes in respect of the Notes, including the recent notices dated 21 October 2009 and 6 November 2009, relating to the Underlying Securities in respect of the Notes and the occurrence of certain credit events in respect of certain reference entities under the Underlying Securities. Please refer to the notices for further details.

We are now writing to inform you that as a result of these credit events, an Underlying Securities Default Event (also referred to as a Mandatory Redemption Event) as described in Special Condition (B)(2)(i) of the Notes has occurred in relation to the Notes. Following the occurrence of this event, the Notes have become subject to mandatory early redemption as further set out in Special Condition (B)(2) of the Notes. Please refer to the attached set of Frequently Asked Questions for further information.

This notice is also being sent to Noteholders via Euroclear and Clearstream, Luxembourg pursuant to Special Condition (B)(2) of the Notes.

Although we are under no obligation to provide information in respect of the Notes or the Underlying Securities beyond that required by the offering documentation constituted by the Programme Prospectus and the Issue Prospectus, in the present exceptional circumstances we have considered it to be helpful to write to you in this instance to provide you with the

information contained in the attached set of Frequently Asked Questions relating to the Notes and the Underlying Securities. Please refer to the Programme Prospectus and the Issue Prospectus for the Notes for further information in relation to the consequences of this event.

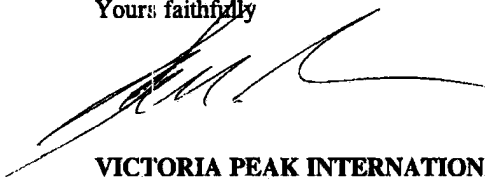
We would encourage you to provide the information contained in this notice and the Frequently Asked Questions to your customers who invested in the Notes.

Nothing in this notice shall be construed as a waiver of any rights we may have with respect 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 Master Conditions (as set out in the Programme Prospectus relating to the Programme dated 5 June 2006) or the Issue Prospectus relating to the Notes dated 30 November 2006 (the "Issue Prospectus"). The Programme 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

12 January 2010