

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To the Distributors of the Notes:

ABN Amro Bank NV	Dah Sing Bank, Limited
Bank of Communications Co., Ltd. Hong Kong Branch	ICEA Securities Ltd.
Chong Hing Bank Limited	MEVAS Bank Limited
Core Pacific-Yamaichi International (H.K.) Limited	Public Bank (Hong Kong) Limited
	Wing Lung Bank Limited

Octave Notes Series 21

HKD RMB-Linked Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2011 and extendable to 2014 (ISIN: XS0325917101) (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 1 December 2008, 8 December 2008 and 7 May 2009 informing you of recent credit events which have occurred in relation to the Underlying Securities for the Notes and the related loss calculations.

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 certain 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 2007-37 Floating Rate Notes due 2011 extendable to 2012 issued by Morgan Stanley ACES SPC acting for the account of the Series 2007-37 Segregated Portfolio (the "Underlying Securities"). As at the Issue Date, the credit rating assigned by Fitch to the Underlying Securities was "AAA".

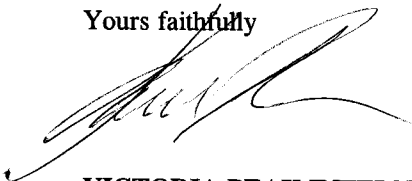
As mentioned in our previous notices to distributors of the Notes dated 1 December 2008, 8 December 2008 and 7 May 2009, since the Issue Date, credit events have occurred in respect of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Lehman Brothers Holdings Inc., Glitnir banki hf., Kaupthing banki hf. and Syncora Guarantee Inc. 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 1 December 2008, the credit rating assigned by Fitch to the Underlying Securities was previously lowered to "CCC". As a result of these credit events and recent market turmoil, the credit rating assigned by Fitch to the Underlying Securities has been further lowered to "C" with a Recovery Rating of "RR6" on 1 May 2009.

As of the date of this notice, the occurrence of these credit events 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.

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 14 September 2007 (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

2 June 2009