

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 are writing to you because of recent market events. 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.

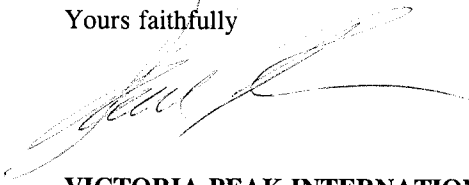
Since we sent our previous notice to you in relation to the Notes on 11 December 2008, a credit event has occurred in respect of Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.). Whilst this is not a Reference Entity under the Notes, it is a reference entity under the Underlying Securities.

As of the date of this notice, the occurrence of this credit event 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**") or the Private Placement Memorandum Supplement of the Underlying Securities dated 25 October 2007 (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

A handwritten signature in black ink, appearing to read 'Kareem Robinson', with a long horizontal flourish extending to the right.

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

BY: Kareem Robinson

7 May 2009