

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To the Distributors of the Notes:

Bank of China (Hong Kong) Limited	Chiyu Banking Corporation Limited
CITIC Ka Wah Bank Limited	Core Pacific-Yamaichi International (H.K.) Limited
ICEA Securities Ltd.	Chong Hing Bank Limited
Nanyang Commercial Bank, Limited	Shanghai Commercial Bank Limited
Tai Fook Securities Co. Ltd.	Wing Hang Bank, Ltd.
Wing Lung Bank Limited	

Octave Notes Series 3

USD Credit-Linked Secured Callable Fixed Rate Notes due 2010 (ISIN: XS0218381365) ("Tranche A Notes")

USD Credit-Linked Secured Callable Variable Rate Notes due 2010 (ISIN: XS0218380987) ("Tranche B Notes")

HKD Credit-Linked Secured Callable Fixed Rate Notes due 2010 (ISIN: XS0218380474) ("Tranche C Notes")

HKD Credit-Linked Secured Callable Variable Rate Notes due 2010 (ISIN: XS0218381522) ("Tranche D 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 notices to distributors of the Notes dated 1 December 2008, 8 December 2008, 11 December 2008, 7 January 2009, 31 March 2009, 16 April 2009 and 17 April 2009 informing you of recent credit events which have occurred in relation to the Underlying Securities for the Notes, the related loss calculations and the credit rating downgrade of the Underlying Securities.

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 2005-11 Class II Secured Floating Rate Notes due 2010 issued by Morgan Stanley ACES SPC acting for the account of the Series 2005-11 Segregated Portfolio (the "**Underlying Securities**"). As at the Issue Date, the credit rating assigned by S&P to the Underlying Securities was "AAA".

As mentioned in our previous notices to distributors of the Notes dated 1 December 2008, 11 December 2008, 31 March 2009 and 16 April 2009, since the Issue Date, credit events have occurred in respect of Quebecor World, Inc., Lehman Brothers Holdings Inc., Washington Mutual, Inc., Dana Corporation, Federal National Mortgage Association, Tribune Company,

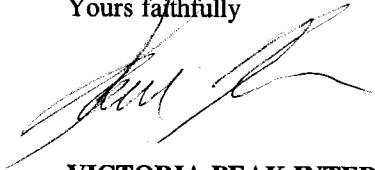
Great Lakes Chemical Corporation and Idearc Inc. Whilst these are not Reference Entities under the Notes, they are reference entities under the Underlying Securities. As mentioned in our notice to distributors of the Notes dated 17 April 2009, as a result of these credit events and recent market turmoil, the credit rating assigned by S&P to the Underlying Securities was previously lowered to "BBB-" (CreditWatch: Negative) on 9 April 2009. The credit rating assigned by S&P to the Underlying Securities has been raised to "BBB-" on 18 May 2009.

As at the date of this notice, the occurrence of these credit events has not resulted in an Underlying Securities Default Event or an Early Redemption Event in relation to the Notes. The Issuer can give no assurance as to whether an Underlying Securities Default Event or an Early 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 29 March 2005 (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: **Tom Robins**

2 June 2009