VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

To the Distributors of the Notes:

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

Octave Notes Series 9

USD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2011 (ISIN: XS0259685492) ("Tranche A Notes")
HKD Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2011 (ISIN: XS0259683950) ("Tranche B 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, 21 January 2009 and 8 June 2009 informing you of the recent credit events which have occurred in relation to the Underlying Securities for the Notes and the related loss calculations where available.

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 this further written information in relation to the Notes. We would encourage you to provide the information contained in this notice to your customers who invested in the Notes.

As at the date of this notice, the Underlying Securities for the Notes consist of the Series 2006-17 Class I Floating Rate Notes due 2011 issued by Morgan Stanley ACES SPC acting for the account of the Series 2006-17 Segregated Portfolio (the "**Underlying Securities**"). The Underlying Securities are Synthetic CDO Securities referenced to 100 Reference Entities, as defined and further described in the Private Placement Memorandum Supplement of the Underlying Securities dated 29 June 2006 (the "**PPMS**").

As set out in our notice to distributors dated 8 June 2009, a Credit Event has occurred in respect of Idearc Inc. Whilst this is not a Reference Entity under the Notes, it is a Reference Entity under the Underlying Securities. Although Idearc Inc. was not listed as a Reference Entity under the Underlying Securities, it subsequently became a Reference Entity as a result

of the occurrence of certain Succession Events with respect to Verizon Global Funding Corp. (originally listed as a Reference Entity under the Underlying Securities).

We are now in a position to provide you with further written information on the consequences of this Credit Event.

As of the date of this notice, the occurrence of the Credit Event referred to above 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.

We have set out in Part A of the Annex below the following information in relation to the loss calculations in respect of the Underlying Securities following the occurrence of the Credit Event referred to above: the Reference Entity Notional Amount which applies to each Reference Entity in respect of which Credit Events have occurred since the issue date of the Underlying Securities and, in respect of each of the Credit Events that have occurred since the issue date of the Underlying Securities where such amounts have been determined, the Weighted Average Final Price, the Reference Value and the Loss Amount.

The Aggregate Loss Amount as at the date hereof, being the sum of the Loss Amounts determined in respect of each of the Credit Events which have occurred in relation to the Underlying Securities since the issue date of the Underlying Securities where such Loss Amounts have been determined, is USD144,612,500. The remaining threshold amount of the Underlying Securities (also sometimes referred to as the remaining subordination) after taking into account the occurrence of the Credit Event in respect of the above Reference Entity and the related loss calculations is USD300,387,500 (being the difference between the Lower Threshold Amount of USD445,000,000 and the Aggregate Loss Amount of USD144,612,500). For your convenience, we have set out in Part B of the Annex below the Lower Threshold Amount for the Underlying Securities (which is extracted from the PPMS for the Underlying Securities) and the current Aggregate Loss Amount.

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 5 June 2006 (the "**Issue Prospectus**") and 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

VICTORIA PEAK INTERNATIONAL FINANCE LIMITED

BY:

15 June 2009

Chris Marett
Director

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ANNEX TO NOTICE TO DISTRIBUTORS DATED 15 JUNE 2009

Part A

Reference Entity Notional Amount, Weighted Average Final Price, Reference Value and Loss Amount for each Reference Entity in respect of which Credit Events have occurred since the issue date of the Underlying Securities

Reference Entity	Reference Entity Notional Amount (USD)	Weighted Average Final Price	Reference Value (USD)	Loss Amount (USD)
Tribune Company	100,000,000	4.1875%	4,187,500	95,812,500
Idearc Inc.	50,000,000	2.4%	1,200,000	48,800,000

Part B

Lower Threshold Amount, Aggregate Loss Amount and remaining threshold amount in respect of the Underlying Securities as at the date of this notice

Lower Threshold Amount (USD)	Aggregate Loss Amount (USD)	Remaining threshold amount (USD)
445,000,000	144,612,500	300,387,500