

**PRICING STATEMENT DATED 27 JUNE 2008**

(Registered by the Monetary Authority of Singapore on 27 June 2008)

# ***Pinnacle Performance Limited***

*(Incorporated with limited liability in the Cayman Islands)*

## ***Pinnacle Notes Series 15***

*Series 15 SGD Coupon Plus Equity-Linked Notes due 2011  
("Series 15 Notes")*

## ***Pinnacle Notes Series 16***

*Series 16 SGD Coupon Plus Equity-Linked Notes due 2011  
(the "Series 16 Notes", and each of the Series 15 Notes and the Series 16 Notes, a "Series")*

*(The Series 15 Notes and/or the Series 16 Notes (as the case may be) are referred to as the "Notes")*

*To be issued under the Pinnacle Performance Limited (the "Issuer") U.S.\$5,000,000,000 Structured Note Programme (the "Programme")*

This Pricing Statement has been prepared for the purpose of providing the disclosure information with regard to the Issuer and for the purpose of giving information with regard to the offer and issue of the Notes under the Programme. A copy of this Pricing Statement has been lodged with and registered by the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Pricing Statement. Registration of this Pricing Statement with the Authority does not imply that the Securities and Futures Act (Cap. 289) of Singapore (the "SFA"), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Notes being offered for investment.

This Pricing Statement must be read together with Part 1 of the Base Prospectus issued by the Issuer and registered with the Authority on 7 August 2006 (the "Base Prospectus"), together with the supplementary base prospectuses lodged with the Authority on 24 April 2007, 13 August 2007, 28 January 2008 and 8 May 2008 (the "Supplementary Base Prospectuses"). Where applicable, references to "Base Prospectus" shall mean the Base Prospectus, as supplemented by the Supplementary Base Prospectuses. Together, the Base Prospectus and this Pricing Statement shall comprise the prospectus (the "Prospectus") for the Notes, prepared for the purposes of Section 240 of the SFA.

This offer is made on the basis of information contained in this Pricing Statement as well as in the Base Prospectus (and any supplement thereto) in respect of the Programme. Copies of the Base Prospectus and this Pricing Statement are available for collection at the times and places specified in this Pricing Statement.

No application has been made for the Programme or the Notes to be listed on any exchange.

**Prospective investors should note that Notes which are sold or redeemed before their respective maturity dates will be subject to unwinding or other transaction costs, and the amount received by investors may be lower than the initial amount of their investment.**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the benefit of U.S. persons as defined in Regulation S under the Securities Act except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. The Notes may include Notes in bearer form that are subject to U.S. Tax Law requirements. No application has been or will be made for the Base Prospectus or this Pricing Statement to be approved as a prospectus under Directive 2003/71/EC (the "Prospectus Directive").

The Notes represent obligations of the Issuer only, and do not represent obligations of, or interests in, the Arranger, the Distributors, the Trustee, any Agent, the Swap Counterparty or any other person. The Notes will not be guaranteed by any person. The Notes will not have the benefit of any rating from any credit rating agency. The Notes will not be underwritten. This offering of Notes may not proceed if a minimum principal amount of the Notes, to be determined by the Arranger in its sole discretion, is not fully subscribed or purchased. In such event, all application or subscription moneys will be returned in full (without interest or any share of revenue or other benefit arising therefrom).

**Prospective investors should ensure they understand the nature of the Notes and the risks involved, and should read carefully the contents of the Prospectus, and in particular (but not limited to) the section headed "Risk Factors" in Part 1 of the Base Prospectus, the section headed "Additional Risk Factors in respect of the Notes" in this Pricing Statement, the section headed "Risk Disclosures" in the Annex for Equity-Linked Note Type (the "Applicable Annex") set out in the Appendix of the Supplementary Base Prospectus dated 8 May 2008 and the section headed "Application Procedures" in this Pricing Statement and consult professional advisers as to the suitability of the Notes as an investment for their individual circumstances, before they invest in the Notes.**

Prospective investors should contact one of the Distributors whose contact telephone numbers are listed in the section headed "The Distributors" below if they wish to invest in the Notes.

*Arranger and Sponsor*

***MORGAN STANLEY ASIA (SINGAPORE) PTE.***

*Distributors*

**ABN AMRO Bank N.V., Singapore Branch**

**OCBC Securities Private Limited**

**UOB Kay Hian Private Limited**

**Citibank Singapore Limited**

**Standard Chartered Bank**

## Important Notices

Each of the Issuer, its directors and the Sponsor accepts full responsibility for the accuracy of the information contained in this Pricing Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Pricing Statement are fair and accurate in all material respects as of the date of this Pricing Statement and that there are no material facts the omission of which would make any statement herein misleading as of the date of this Pricing Statement.

Each of the Trustee, the Administrator, the Swap Counterparty, the Swap Guarantor, any Agent and the Dealer and their respective Affiliates has not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by such parties as to the accuracy or completeness of the information contained herein, or any further information supplied in relation to or in connection with the Programme or the Notes or their distribution. The statements made in this paragraph are without prejudice to the respective responsibilities of the Issuer, its directors and the Sponsor in respect of any information contained in this Pricing Statement.

The Arranger has given, and has not before the registration of this Pricing Statement withdrawn, its consent to the issue of this Pricing Statement with the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Pricing Statement.

The Notes are offered to the retail public in the Republic of Singapore solely on the basis of the information contained and the representations made in the Prospectus, including any supplement thereto. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other financial statements or further information supplied pursuant to the terms of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, its directors, the Arranger, any Distributor, the Dealer, any Agent, the Trustee, the Swap Counterparty, the Swap Guarantor or their respective Affiliates (together, other than the Issuer and its directors, the “**Transaction Participants**”), nor shall any Transaction Participant or the Issuer or its directors be responsible for any losses arising from such information or representation.

Neither the Prospectus nor any further information supplied pursuant to the terms of the Programme or the Notes are intended to provide the basis of any credit or other evaluation and should not be considered as investment advice or a recommendation by or on behalf of the Issuer, its directors, the Arranger or the Trustee that any recipient of the Prospectus should subscribe for or purchase any of the Notes. Each prospective investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The delivery of the Prospectus does not at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or any of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the tenure of the Notes. The Issuer may from time to time after the date hereof register one or more supplemental base prospectuses to the Base Prospectus with the Authority, as required by the SFA. All such supplemental base prospectuses must also be read in conjunction with this Pricing Statement and all references herein to the “Prospectus” will be deemed to include all such supplemental base prospectuses.

The Issuer, its directors, the Arranger and the Trustee do not represent that the Prospectus may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction other than the Republic of Singapore, or pursuant to an exemption available under any such requirements in any jurisdiction other than the Republic of Singapore, or assume any responsibility for facilitating any such distribution or offering. Accordingly, persons who are in possession of the Prospectus or any of the Notes must inform themselves about, and observe, any such restrictions. In particular, no action has been taken by the Issuer, its directors, the Arranger or the Trustee (save for the registration of the Base Prospectus and this Pricing Statement by the Authority) which would permit a public offering of any of the Notes or distribution of the Prospectus in any jurisdiction where action for that purpose is required. Accordingly, none of the Notes may be offered or sold, directly or indirectly, and neither the Base Prospectus nor any Pricing Statement, advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Notwithstanding anything herein to the contrary, each prospective investor in the Notes (and its respective employees, representatives and other agents) may disclose to any and all persons, without limitations of any kind, the U.S. federal tax treatment and U.S. tax structure of the transactions contemplated by the Base Prospectus and any Pricing Statement and all materials of any kind (including tax opinions or other tax analyses) relating to such U.S. tax treatment and U.S. tax structure.

All references in this document to “SGD”, “S\$” or “Singapore dollars” are to the lawful currency of the Republic of Singapore and all references to “USD”, “US\$” or “US dollars” are to the lawful currency of the United States of America.

## WHERE TO OBTAIN COPIES OF THE PROSPECTUS

Hard copies of the Prospectus may be collected free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays in Singapore excepted) as follows:

- ***During the Offer Period of the Notes:*** from each of the Distributors as described under the section headed “**The Distributors**” in this Pricing Statement and from the offices of the Arranger at:

**Morgan Stanley Asia (Singapore) Pte.**  
23 Church Street  
#16-01  
Capital Square  
Singapore 049481

- ***After the Offer Period of the Notes and for so long as the Notes remain outstanding:*** from the offices of the Arranger as stated above.

The Base Prospectus in conjunction with this Pricing Statement contains important information about:

- the Issuer of the Notes;
- the Swap Agreement in respect of the Notes and the Swap Guarantee;
- the Underlying Assets in respect of the Notes and the security arrangements in respect of the Notes;
- investment risk factors;
- taxation implications relating to the purchase, holding and sale of the Notes;
- custody, clearing and settlement arrangements;
- market making arrangements; and
- the contractually binding master terms and conditions of the Notes (the “**Equity Master Conditions**”).

**Prospective investors should read this Pricing Statement in conjunction with the Base Prospectus in order to understand the offer to which the documents relate, in particular before making an application in response to the offer.**

**Prospective investors who wish to subscribe for any Notes must do so in accordance with the procedures described under the section headed “Application Procedures” below and the section headed “Summary of the Programme — Application Procedures” in Part 1 of the Base Prospectus.**

## Line up attractive regular returns



**Offer Period: From 30 June 2008 to 18 July 2008** (subject to extension or early closure)  
**Denomination: SGD5,000**

- Fixed Coupon of **3.50%** per annum for the first 2 years (Series 15) and **3.70%** per annum for the first 2 years 9 months (Series 16)<sup>1</sup>
- Potential Equity Bonus Coupon of **1.75%**(Series 15) and **1.85%**(Series 16) at maturity if the Final Price is greater than or equal to the Initial Price<sup>1</sup>
- Linked to the performance of the ordinary shares of Singapore Telecommunications Limited
- Short investment tenor of 2 years 6 months (Series 15) and 3 years 4 months (Series 16)
- Principal protected if held until scheduled maturity of the Notes<sup>2</sup>

1. Details of the Fixed Coupon Amount and the potential Equity Bonus Coupon are described in the Summary of Terms and full descriptions and definitions are set out in the Prospectus.

2. Assuming no early redemption of the Notes in particular pursuant to a Mandatory Redemption Event or Event of Default. In the event that you do not hold the Notes to maturity, or the Notes are redeemed early pursuant to a Mandatory Redemption Event or an Event of Default you may receive less and possibly substantially less than the principal amount of the Notes. In the event that you wish to sell the Notes prior to maturity, please be advised that there will be no secondary market for the Notes. Morgan Stanley & Co. International plc as market agent intends, but is under no obligation, to make a market in the Notes on a best efforts basis. In the event that you choose to sell back your Notes under these arrangements prior to maturity, the price at which the Notes may be bought back may be less than the principal you invested. Please refer to the Base Prospectus for further information.

**Distributors include ABN AMRO Bank N.V., Singapore Branch, Citibank Singapore Limited, OCBC Securities Private Limited, Standard Chartered Bank and UOB Kay Hian Private Limited. Additional distributors may be appointed by the Arranger from time to time during the Offer Period.**

## Pinnacle Notes Series 15 & 16 Coupon Plus Equity-Linked Notes ("Notes") Summary of Terms

<b>General Terms:</b>	
<b>Issuer:</b>	Pinnacle Performance Limited
<b>Offer Period:</b>	30 June 2008 to 18 July 2008 (subject to extension or early closure)
<b>Fixing Date:</b>	Expected to be 22 July 2008
<b>Issue Date:</b>	Expected to be 5 August 2008
<b>Note Type:</b>	Equity-Linked Note
<b>Principal Amount (Denomination):</b>	SGD5,000 (Series 15 & Series 16)
<b>Issue Price:</b>	100% of principal amount
<b>Scheduled Maturity Date:</b>	Series 15: 7 February 2011 <sup>Δ</sup> Series 16: 5 December 2011 <sup>Δ</sup>
<b>Redemption of Principal Amount on the Scheduled Maturity Date:</b>	Redemption at 100% of Principal Amount on Scheduled Maturity Date
<b>Fixed Coupon:</b>	Series 15: Interest Rate: 3.50% per annum for the first 2 years Series 16: Interest Rate: 3.70% per annum for the first 2 years 9 months  Interest shall be payable on 5 November 2008, 5 February 2009, 5 May 2009, 5 August 2009, 5 November 2009, 5 February 2010, 5 May 2010 and 5 August 2010; and in addition for Series 16, 5 November 2010, 7 February 2011 and 5 May 2011 (each an "Interest Payment Date") <sup>Δ</sup> . For the avoidance of doubt no further interest will be payable after these dates save for the Equity Bonus Coupon (if any).
<b>Equity Bonus Coupon:</b>	Equity Bonus Coupon shall be payable if the Final Price is greater than or equal to the Initial Price. The amount of Equity Bonus Coupon payable on each Notes shall be as follows:  Series 15: 1.75% x Denomination of each Series 15 Note Series 16: 1.85% x Denomination of each Series 16 Note  Equity Bonus Coupon (if any) shall be payable on the respective Scheduled Maturity Dates of the Notes (each an "Equity Bonus Coupon Payment Date") <sup>Δ</sup> .
<b>Initial Price:</b>	The price of the Share on the Exchange at the Scheduled Closing Time on the Original Fixing Date.
<b>Final Price:</b>	The price of the Share on the Exchange at the Scheduled Closing Time on the Valuation Date.
<b>Scheduled Valuation Dates:</b>	Series 15: 27 January 2011 Series 16: 28 November 2011
<b>Mandatory Redemption Events:</b>	Certain events which affect the structure of the Note issuance such as a payment default in respect of the Underlying Assets, a termination of the swap arrangements relating to the Notes or the imposition of withholding tax on any payments receivable by the Issuer, or Potential Adjustment Events, Additional Disruption Events (being Change in Law, Insolvency Filing, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and Loss of Stock Borrow) Underlying Disposal Events or Extraordinary Events (and which the Determination Agent will determine in its discretion whether such events have occurred). Full definitions are set out in the Prospectus.
<b>Events of Default:</b>	Failure by the Issuer to comply with its obligations relating to the Notes, events relating to the bankruptcy or reorganisation of the Issuer (whether initiated by itself or otherwise) or an event of default (howsoever described) occurring with respect to the Underlying Assets.
<b>Swap Arrangements:</b>	To enable the Issuer to meet its payment obligations under the Notes, the Issuer will enter into various swap transactions in respect of the Notes with Morgan Stanley Asia Securities Products LLC as Swap Counterparty. The obligations of the Swap Counterparty will be guaranteed by Morgan Stanley as Swap Guarantor. However, the Notes will not be obligations of and will not be guaranteed by either the Swap Counterparty or the Swap Guarantor.
<b>Collateral/Security:</b>	The Notes will be secured (on or about the Issue Date) by, amongst other assets, (i) the Underlying Assets and (ii) the Swap Arrangements.
<b>Underlying Assets:</b>	USD floating rate notes due 2011 to be issued by Morgan Stanley B.V. All sums payable in respect of such floating rate notes shall be unconditionally and irrevocably guaranteed by Morgan Stanley.
<b>Market Making Arrangements:</b>	The Notes are principal protected only if held to maturity. There will be no secondary market for the Notes. Morgan Stanley & Co. International plc as market agent intends, but is under no obligation, to make a market in the Notes on a best efforts basis. In the event that Noteholders choose to sell back their Notes under these arrangements prior to maturity, the price at which the Notes may be bought back may be less than the principal they invested.

<sup>Δ</sup> If an Interest Payment Date, an Equity Bonus Coupon Payment Date or a Scheduled Maturity Date falls on a day which is not a Business Day, payment shall be postponed to the next following Business Day, with no additional amount payable due to such postponement.

### Important Information:

A printed copy of the Base Prospectus dated 7 August 2006, together with the Supplementary Base Prospectuses dated 24 April 2007, 13 August 2007, 28 January 2008 and 8 May 2008 (the "Base Prospectus"), the Pricing Statement dated 27 June 2008 relating to the Notes (the "Pricing Statement") and the application forms in respect of the offering of the Notes by Pinnacle Performance Limited, may be obtained upon request, subject to availability, from the branches of each of the Distributors and at the office of the Arranger, Morgan Stanley Asia (Singapore) Pte., during normal office hours. Anyone wishing to acquire the Notes will need to make an application in the manner set out in the Pricing Statement. The distributors will be paid a commission fee by the Issuer for their services as distributors.

This document is an extract from the Pricing Statement and is incomplete on its own. It is qualified in its entirety by, and should be read in conjunction with, the full text of the Base Prospectus, the Pricing Statement and any supplements thereto (collectively referred to as the "Prospectus"). Terms used but not defined in this document shall bear the same meanings assigned to them in the Prospectus unless the context requires otherwise. A potential investor should read the Prospectus before deciding whether to purchase the Notes. Investors should ensure that they understand the nature of the Notes and risks involved and should carefully study the matters set out in the Prospectus for details of the various factors that may affect the results and performance of the Notes (in particular, the sections headed "Risk Factors", "Risk Disclosures" and "Additional Risk Factors in respect of the Notes" in the Prospectus), and make their own assessment or seek independent professional advice before deciding whether to subscribe for or purchase the Notes.

This document is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any Notes. As such, no one may accept or purport to accept any offer on the basis of this document.

## 定期回报 精彩列阵

**认购期：2008年6月30日至2008年7月18日（可延长或提早截止）**  
**票据面额：5,000新元**

- 固定票息在首两年为年息率**3.50%**（系列15）及在首两年九个月为年息率**3.70%**（系列16）<sup>1</sup>
- 潜在额外红利**1.75%**（系列15）及**1.85%**（系列16），将于票据到期时派发，若股票的最终价格等于或高于其初始价<sup>1</sup>
- 与新加坡电信有限公司之普通股票表现挂钩
- 短期投资年期为2年6个月（系列15）及3年4个月（系列16）
- 本票据为保本投资，倘持有至预计到期日<sup>2</sup>

1. 固定票息金额及潜在额外红利详情已于条款概要内叙述及详细的叙述及定义已于章程内说明。

2. 假设没有因强制赎回事件或发行人失责事件而引致本票据被提早赎回。倘投资者未能持本票据至到期日，或因发生强制赎回事件或发行人失责事件而引致本票据被提早赎回，投资者可能会收取少于或大幅度少于票据本金额的回报。如投资者欲于到期前出售本票据，请注意本票据并无二级市场。摩根史丹利国际有限公司作为市场代理，于没有任何责任下，会致力为本票据制造市场。若投资者于这些安排下于到期前售卖本票据，票据的出售价格可能少于其投资本金金额，详情请参阅基本章程。

分销商包括 **ABN AMRO Bank N.V., Singapore Branch, Citibank Singapore Limited, OCBC Securities Private Limited, Standard Chartered Bank 及 UOB Kay Hian Private Limited**。  
安排人可于认购期内不时委任其他分销商发售票据。

## 富峰票据系列15及16优惠票息股票挂钩票据(“本票据”)条款概要

### 一般条款：

<b>发行人：</b>	Pinnacle Performance Limited
<b>认购期：</b>	2008年6月30日至2008年7月18日(可延长或提早截止)
<b>裁定日期：</b>	预计为2008年7月22日
<b>发行日期：</b>	预计为2008年8月5日
<b>票据类别：</b>	股票挂钩票据
<b>本金额(票据面额)：</b>	系列15及16：5,000新元
<b>发行价：</b>	100%本金额
<b>预计到期日：</b>	系列15：2011年2月7日 <sup>△</sup> 系列16：2011年12月5日 <sup>△</sup>
<b>预计到期日的本金赎回：</b>	在预计到期日以100%本金额赎回。
<b>固定票息：</b>	系列15：年利率：在首两年为3.50% 系列16：年利率：在首两年九个月为3.70%  利息于2008年11月5日、2009年2月5日、2009年5月5日、2009年8月5日、2009年11月5日、2010年2月5日、2010年5月5日及2010年8月5日；以及系列16之利息于2010年11月5日、2011年2月7日及2011年5月5日(每期为「利息支付日期」) <sup>△</sup> 派发。为避免对支付利息产生疑问，在该些日期之后不会支付额外利息，但派发潜在额外红利(如有)除外。
<b>潜在额外红利：</b>	潜在额外红利将获派发，若股票的最终价格等于或高于其初始价。每张票据所支付的潜在额外红利如下：  系列15：1.75% x 每张系列15的票据面额 系列16：1.85% x 每张系列16的票据面额  潜在额外红利(如有)将于本票据之相关预计到期日派发(每期为「潜在额外红利支付日期」) <sup>△</sup>
<b>初始价：</b>	股票于预计原定裁定日交易完结时的价格
<b>最终价格：</b>	股票于预计估值日交易完结时的价格
<b>预计估值日：</b>	系列15：2011年1月27日 系列16：2011年11月28日
<b>强制赎回事件：</b>	某些影响本票据结构的事件，例如有关指定资产的付款失责、终止有关本票据的掉期安排或强加发行人应收款项的预扣税、指数中断、额外之干涉事件(若法律上作出改变，无力偿还申报、对冲中断、对冲成本增加、股票借贷成本增加及损失股票借贷)资产出售事件或特别事件(及裁定代理将以酌情权决定该些事件是否已发生)。定义详载于章程。
<b>发行人失责事件：</b>	即发行人未能就有关票据遵守其责任、发行人发生有关破产或重组的事件(无论由其发起或其他因素)、或相关「指定资产」所引致的发行人失责事件(如述)。
<b>掉期安排：</b>	为使发行人能够履行其在票据项下的付款责任，发行人将与作为掉期对手的Morgan Stanley Asia Securities Products LLC，就本票据订立多项掉期交易。掉期对手的义务将由作为掉期担保人的Morgan Stanley担保。不过，本票据并非掉期对手或掉期担保人的债项，并不会由掉期对手或掉期担保人担保。
<b>抵押品：</b>	票据于或约在发行日将以(但不限于)下列资产作为抵押：(i)「指定资产」及(ii)掉期安排。「指定资产」包括由Morgan Stanley B.V.发行的票据组成，其「指定资产」应付的金额总数并由摩根史丹利作担保。
<b>指定资产：</b>	于2011年到期的美元浮息票据由Morgan Stanley B.V.发行，该浮息票据应付的所有金额将由Morgan Stanley无条件及不能撤回地担保。
<b>庄家活动安排：</b>	本票据为本金保本若持有至到期日。本票据并无二级市场。摩根史丹利国际有限公司作为市场代理，于没有任何责任下，会致力为本票据制造市场。若投资者于这些安排下于到期前售卖本票据，票据的出售价格可能少于其投资本金金额。

<sup>△</sup> 假若利息支付日期、潜在额外红利支付日期及预计到期日不是营业日，所支付的利息将延迟至下一个营业日而所致的延期不会有额外的派付金额。

### 重要事项：

日期为2006年8月7日的基本章程及日期为2007年4月24日、2007年8月13日、2008年1月28日及2008年5月8日的章程之附件复印本(总称为「基本章程」)，日期为2008年6月27日有关本票据的定价声明(「定价声明」)以及有关Pinnacle Performance Limited发行的本票据之申请表格，可于正常办公时间内向各分销商的分行及安排人Morgan Stanley Asia (Singapore) Pte. 的办事处索取，惟供应须视乎情况而定。有意认购本债券的投资者，须根据定价声明所述的方式作出申请。发行人将支付佣金给分销商作为他们的服务费。

本文件乃节录自定价声明，内容本身并不完整。本文件须与基本章程、定价声明及任何相关补充文件(总称为「章程」)一并细阅，并受限於前述文件。除非内文须额外诠释，否则，于本文件内尚未提供定义的词汇将与章程内的词汇载有相同定义。准投资者于作出有关购买本票据的决定前，必须细阅章程。投资者必须清楚了解本票据的性质、所涉及风险，及仔细参阅详列于章程内有关多个影响本票据之回报及表现的因素(特别是基本章程内的「风险因素」、「风险声明」及于定价声明内「有关本票据的附加风险因素」)，并于决定购买或认购本票据前，应先自行作出评估，或寻求独立的专业意见。

本文件仅作资料简介，并不构成购买或认购任何有关本票据的要约，或作出要约的诱使或邀请的一部分。换言之，任何人均不能单凭本文件而接纳或企图接纳本票据之任何要约。

本文件为中文译本，如中文译本与英文本有分歧，以英文文本为准。

## CONTENTS

<u>Section</u>	<u>Page</u>
THE DISTRIBUTORS.....	1
INFORMATION ABOUT THE NOTES.....	2
ADDITIONAL RISK FACTORS IN RESPECT OF THE NOTES .....	10
SUMMARY OF THE SWAP ARRANGEMENTS.....	14
INFORMATION ABOUT THE SHARE.....	17
INFORMATION ABOUT THE UNDERLYING ASSETS .....	19
INFORMATION ABOUT MORGAN STANLEY.....	21
APPLICATION PROCEDURES.....	25
ADDITIONAL INFORMATION ABOUT THE OFFERING.....	31
APPENDIX A FORM OF PRICING SUPPLEMENT FOR THE SERIES 15 NOTES .....	A-1
APPENDIX B FORM OF PRICING SUPPLEMENT FOR THE SERIES 16 NOTES .....	B-1

### IMPORTANT

Prospective investors who are in any doubt about any of the contents of this Pricing Statement should obtain independent professional advice.

The Notes are issued under the Issuer's U.S.\$5,000,000,000 Structured Note Programme. Prospective investors should read the Prospectus in order to understand the offer of the Notes prior to deciding whether to purchase the Notes. Prospective investors should contact one of the appointed Distributors of the Notes if they wish to know where to obtain a copy of the Prospectus.

The Issuer, its directors and the Arranger cannot give investment advice to prospective investors. Prospective investors must decide for themselves, taking professional advice if appropriate, whether the Notes meet their investment needs. **There will be no guarantee from any entity to investors in connection with the recovery of any amount payable under the Notes and investors could lose all or a substantial part of their investment in the Notes.**

## THE DISTRIBUTORS

During the Offer Period, prospective retail investors may only subscribe for the Notes through an appointed Distributor.

The following are the Distributors which have been appointed as at the date of this Pricing Statement, and their respective addresses and “Hotline” telephone numbers:

<u>Distributors</u>	<u>Address</u>	<u>“Hotline”</u>
ABN AMRO Bank N.V., Singapore Branch .....	Level 24, One Raffles Quay South Tower Singapore 048583	1800 226 2676
Citibank Singapore Limited.....	3 Temasek Avenue #12-00 Centennial Tower Singapore 039190	6333 9000
OCBC Securities Private Limited.....	18 Church Street #01-00 OCBC Centre South Singapore 049479	6438 4775
Standard Chartered Bank.....	6 Battery Road #09-08 Singapore 049909	1800 747 7000
UOB Kay Hian Private Limited .....	80 Raffles Place #30-01 UOB Plaza One Singapore 048624	6536 9338

Prospective investors should contact one of the appointed Distributors if they wish to find out how to subscribe for the Notes and/or obtain a list of locations from which copies of the Prospectus can be obtained.

Additional distributors may be appointed by the Arranger after the date of this Pricing Statement. The identities and “Hotlines” of any such additional distributors will be made available to prospective investors upon request during normal business hours on any day (Saturdays, Sundays and public holidays in Singapore excepted) from the offices of the Arranger specified on page iii of this Pricing Statement. References herein to “**Distributor(s)**” shall be deemed to include any such additional distributor(s) appointed after the date of this Pricing Statement.

## INFORMATION ABOUT THE NOTES

The following is a summary of certain important terms of the Notes which may not otherwise be contained in Part 1 of the Base Prospectus (inclusive of the Applicable Annex in the Supplementary Base Prospectus dated 8 May 2008). To understand the full terms and conditions of the Notes, please refer to the full text of the Equity Master Conditions applicable to the Notes set out in the Applicable Annex and the Pricing Supplements in respect of the Notes (a form of which is set out in this Pricing Statement). See "Equity Master Conditions" below for a description of the relationship between the Equity Master Conditions and each such Pricing Supplement. Capitalised terms used in this Pricing Statement but not defined in this Pricing Statement shall have the meanings given to them in Part 1 of the Base Prospectus (and if there is any inconsistency between the terms in Part 1 of the Base Prospectus and the Applicable Annex, the terms in the Applicable Annex will prevail).

Please refer to the paragraph headed "References to Noteholders" in the section headed "Where to obtain copies of the Base Prospectus (including the Applicable Annex) and the Applicable Pricing Statement" in Part 1 of the Base Prospectus for a discussion relating to the usage of the terms "Noteholders", "you", "investors" and "prospective investors" in this Pricing Statement.

### THE EQUITY-LINKED NOTES AT A GLANCE

#### Pinnacle Notes Series 15 and 16

##### Series 15 Notes (in SGD)

##### Series 16 Notes (in SGD)

#### Limited offer until 18 July 2008 (may change without prior notice)

- Fixed Coupon Amounts of SGD43.75 for each Series 15 Note (3.50 per cent. per annum for the first 2 years) and SGD46.25 for each Series 16 Note (3.70 per cent. per annum for the first 2 years and 9 months) payable on each Interest Payment Date. No further coupons will be payable on each Series of Notes until the Equity Bonus Coupon (if any) which is the final coupon payable on the respective Scheduled Maturity Dates
- Potential to receive an Equity Bonus Coupon of 1.75 per cent. of the principal amount of each Series 15 Note and 1.85 per cent. of the principal amount of each Series 16 Note payable on the respective Scheduled Maturity Dates if the Determination Agent, in its sole and absolute discretion, determines that the Final Price is equal to or greater than the Initial Price
- Minimum investment amount of SGD5,000 (one Note of SGD5,000 each) for each of the Series 15 and 16 Notes
- Redemption on the respective Maturity Dates at 100 per cent. of the principal amount of the outstanding Notes subject to the occurrence of a Mandatory Redemption Event or an Event of Default
- Scheduled term of Notes: approximately 2 years and 6 months for the Series 15 Notes and approximately 3 years and 4 months for the Series 16 Notes
- Noteholders are also exposed to the credit risk of Morgan Stanley B.V. and Morgan Stanley, the issuer of the Underlying Assets and the guarantor of payment of all sums payable in respect of the Underlying Assets, respectively

**The Notes are principal protected only if held until the scheduled maturity of the Notes. Although the Notes are termed principal protected, in the event of a Mandatory Redemption Event or an Event of Default, the Notes may be redeemed at substantially less than 100 per cent. of their principal amount. The Notes are not guaranteed by any entity.**

Offer Period:

From 11.00 a.m. on 30 June 2008 to 4.30 p.m. on 18 July 2008 or such earlier or later date, as may be determined by the Issuer, after consultation with the Arranger, in its absolute discretion.

If the Issuer reduces or extends the Offer Period, the Fixing Date and Issue Date will also be changed. The Issuer will notify the Distributors of the new expected end date and time of the Offer Period, Fixing Date and Issue Date on or before the Original Fixing Date.

Note Type/Applicable Annex:	Equity-Linked Note Type. The relevant applicable annex for the Notes is the Annex for Equity-Linked Note Type set out in the Appendix to the Supplementary Base Prospectus dated 8 May 2008. For the avoidance of doubt, neither the Annex for First-to-Default Note Type found in Part 2 of the Base Prospectus nor any other Annex appended to the other pricing statements applies to the Notes.
Issue Size:	In respect of each Series, the total principal amount of Notes of each Series to be issued will be determined by the Arranger in its absolute discretion on the Fixing Date in light of market interest in the Notes and will be recorded and be available for inspection at the office of the Arranger set out on page iii above as soon as practicable after the Issue Date.
Issue Price:	100 per cent. of the principal amount of the Notes (the “ <b>Issue Price</b> ”).
Issue Date:	The Issue Date is expected to be 5 August 2008 and may be changed as described under “Offer Period” above.
Fixing Date:	Expected to be 22 July 2008 (the “ <b>Original Fixing Date</b> ”) and may be changed as described under “Offer Period” above.
Change of Fixing Date and/or Issue Date, or cancellation of issuance:	

**The Issuer, after consultation with the Arranger, may in its absolute discretion decide on or before the Fixing Date to issue or not to issue either or both Series, in light of general market interest in the Notes. This discretion may be exercised irrespective of whether any change of the Fixing Date and/or the Issue Date has been made as described under “Offer Period” above.**

If the Issuer decides not to issue either or both Series, monies paid by applicants in respect of the affected Series will be returned by the Distributors within 14 Business Days after the Fixing Date (as changed as described in “Offer Period” above, if applicable). The Issuer will notify the Distributors of any such decision not to issue either or both Series as soon as practicable after the Fixing Date. See the paragraphs headed “Cancellation of the issue of any Series of Notes” and “Refund of application monies” in the section headed “Application Procedures” in this Pricing Statement.

Notwithstanding the determination by the Arranger on the Fixing Date of the total principal amount of Notes of a Series to be issued, the Issuer, after consultation with the Arranger, may at any time between the Fixing Date and the then expected Issue Date exercise its absolute discretion to change the Issue Date. Where more than one Series is to be issued, the Issue Date of one Series may be changed independently of the Issue Date of the other Series. Such right to change the Issue Date will apply in addition to the right to change the Fixing Date. If the Issuer so changes the Issue Date of either of the Series, it will notify the Distributors on or before the then expected Issue Date.

“**Business Day**” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London, Singapore, Hong Kong and New York.

Share: Ordinary shares (the “Share”) of Singapore Telecommunications Limited (Bloomberg Code: ST SP) (the “Company”) listed on the Singapore Exchange Securities Trading Limited (the “Exchange”)

Please refer to the section headed “Information about the Share” in this Pricing Statement for more information on the Share.

On the occurrence of an Extraordinary Event (as defined in Condition 8(f)), the Determination Agent may in its sole and absolute discretion, replace a Share with a substituted Share.

Fixed Coupon Amount: Series 15 Notes: S\$43.75 for each Series 15 Note (3.50 per cent. per annum) payable on each Interest Payment Date.

Series 16 Notes: S\$46.25 for each Series 16 Note (3.70 per cent. per annum) payable on each Interest Payment Date.

Interest Payment Dates: Series 15 Notes: Interest will be payable on 5 November 2008, 5 February 2009, 5 May 2009, 5 August 2009, 5 November 2009, 5 February 2010, 5 May 2010 and 5 August 2010.

Series 16 Notes: Interest will be payable on 5 November 2008, 5 February 2009, 5 May 2009, 5 August 2009, 5 November 2009, 5 February 2010, 5 May 2010, 5 August 2010, 5 November 2010, 7 February 2011 and 5 May 2011.

For the avoidance of doubt, no further Fixed Coupon Amounts will be payable on each Series of Notes thereafter. Subsequently, the final coupon (if any) payable on each Series of Notes will be the Equity Bonus Coupon.

Notwithstanding the above, upon a Mandatory Redemption Event occurring or an Event of Default occurring, the Note will cease to bear interest from the Early Redemption Date following the occurrence of such Mandatory Redemption Event or, as the case may be, the date of redemption following the occurrence of such Event of Default, and no further interest will be payable.

If an Interest Payment Date falls on a day which is not a Business Day, then payment of the interest or principal due on that day will be made on the first Business Day after that day. No adjustment will be made to the amount of interest or principal payable in the case of such a postponed payment.

Equity Bonus Coupon: For both Series 15 Notes and Series 16 Notes, a one-off Equity Bonus Coupon may be payable on each Note on the respective Equity Bonus Coupon Payment Dates:

(i) if the Final Price of the Share is **greater than or equal to** its Initial Price, the Equity Bonus Coupon will be calculated as follows:

Series 15 Notes: 1.75% x Denomination of each Series 15 Note

Series 16 Notes: 1.85% x Denomination of each Series 16 Note

(ii) if the Final Price of the Share is **less than** its Initial Price, the Equity Bonus Coupon payable is zero.

where:

“Initial Price” means the share price of the Share on the Exchange at the Scheduled Closing Time on the Original Fixing Date.

“Final Price” means the share price of the Share on the Exchange at the Scheduled Closing Time on the Valuation Date.

“**Scheduled Closing Time**” means in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange on such Scheduled Trading Day, without regard to after-hours or any other trading outside of regular trading session hours.

“**Scheduled Trading Day**” means any day on which the Exchange is scheduled to be open for trading for its regular trading session.

The Issuer shall, but is not obliged to, use its best efforts to notify the Distributors (who will then notify the respective Noteholders holding the Series 15 or Series 16 Notes), as soon as practicable but, by no later than the relevant Equity Bonus Coupon Payment Date, whether any Equity Bonus Coupon is payable on such Equity Bonus Payment Date.

Equity Bonus Coupon Payment Date: For each of the Series 15 Notes and Series 16 Notes, the respective Scheduled Maturity Dates.

Valuation Dates: Series 15 Notes: Expected to be 27 January 2011

Series 16 Notes: Expected to be 28 November 2011

Adjustments affecting the Share:

*Potential Adjustment Events*

Following the declaration by the Company of the terms of a Potential Adjustment Event, the Determination Agent, acting for and on behalf of the Issuer, will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will, acting for and on behalf of the Issuer, (1) make such adjustment as it in its sole and absolute discretion considers appropriate, if any, to the terms of the Notes and/or calculations as described in the Equity Master Conditions as the Determination Agent, acting for and on behalf of the Issuer, determines, in its sole and absolute discretion, to be appropriate to account for that diluting or concentrative effect and (2) determine the effective date(s) of such adjustment(s).

See Condition 8(c) of the Equity Master Conditions for further details.

*Correction of Share Price*

If any price published on the Exchange and which is utilised by the Determination Agent for any calculation or determination under the Notes is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication and prior to the respective Scheduled Maturity Dates of each Series, and to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly.

See Condition 8(c) of the Equity Master Conditions for further details.

*Extraordinary Events*

Following the occurrence of an Extraordinary Event (being Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting), the Determination Agent, acting for and on behalf of the Issuer, in its sole discretion, will determine whether the Notes shall continue or shall be redeemed early. If the Determination Agent, acting for and on behalf of the Issuer, determines that the relevant Notes shall continue, it may make such adjustment as it in its sole and absolute discretion considers appropriate, if any, to the terms of the Notes and calculations as described in the Equity Master Conditions as the Determination Agent, acting for and on behalf of the Issuer, determines, in its sole and absolute discretion, to be appropriate, which adjustment shall be effective on such date as the Determination Agent, acting for and on behalf of the Issuer, shall determine.

If the Determination Agent determines that no such adjustments are

possible, the Notes shall be redeemed early, which will constitute an Equity Termination Event giving rise to a Mandatory Redemption Event.

See Condition 8(d) of the Equity Master Conditions for further details.

Scheduled Maturity Date:

Series 15 Notes: The date falling 5 Business Days after the Series 15 Valuation Date, which is expected to be 7 February 2011

Series 16 Notes: The date falling 5 Business Days after the Series 16 Valuation Date, which is expected to be 5 December 2011

Please note that the Notes may be redeemed before the Scheduled Maturity Date if a Mandatory Redemption Event or an Event of Default occurs.

Redemption Amount on the Maturity Date:

100 per cent. of the principal amount of the Notes (subject to the occurrence of a Mandatory Redemption Event or an Event of Default).

Mandatory Redemption Event:

If an Underlying Disposal Event occurs, which includes events such as any or all of the Underlying Assets relating to the Notes becoming repayable prior to their stated maturity, a payment default in respect of any or all such Underlying Assets, the Swap Agreement being terminated and not replaced, the Issuer becoming required to withhold or account for tax or other tax related events and an Equity Termination Event (which may occur on an Additional Disruption Event (being Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and Loss of Stock Borrow) or an Extraordinary Event), the Notes will become repayable. Noteholders will receive the *pro rata* portion of the net sale proceeds of the Underlying Assets plus or minus the Swap Settlement Amount payable by the Swap Counterparty or the Issuer (after deduction of all costs, expenses and disbursements in connection with such sale) and after payment of prior ranking Secured Creditors (please see the paragraph headed "Order of Priorities" below), which may be less and possibly substantially less than the principal amount of the Notes.

Please see Condition 7(c) of the Equity Master Conditions for further details.

Note Denomination/Principal Amount per Note:

Series 15 Notes: SGD5,000

Series 16 Notes: SGD5,000

Form:

The Notes will be in bearer global form. Each Series will be represented by a Global Note to be held by the Clearing System.

Clearing System:

The Central Depository (Pte) Limited (with a link to Euroclear and Clearstream)

For a description of how investors will hold the Notes, please see the section headed "Custody Arrangements for the Notes" in Part 1 of the Base Prospectus.

Neither the Issuer nor Morgan Stanley Asia (Singapore) Pte. in its capacity as Arranger accepts any responsibility for the provision of custody services or for any consequences of, or arising from, the use of investment accounts or custody services.

Notices:

So long as the Notes are represented by the Global Notes which are registered in the name of CDP or a nominee for the common depository for Euroclear and/or Clearstream, notices required to be given to Noteholders (including in relation to the occurrence of an Equity

Termination Event, Mandatory Redemption Event or an Event of Default) may be given by their being delivered to entitled accountholders in CDP, Euroclear and/or Clearstream:

- (a) if the relevant Clearing System permits notices to entitled accountholders to be sent through such Clearing System, the notices will be sent in such manner; and
- (b) if the relevant Clearing System does not so permit, the notices will be given either by mail to the entitled accountholders or by publication in a daily newspaper of general circulation in Singapore approved by the Trustee.

Please note that investors who hold their investment in Notes through a Distributor or other third party having an account with the Clearing System will need to rely on their Distributor or such other third party (as entitled accountholders) to communicate such notices to them.

A copy of each notice given by the Issuer in respect of the Notes (to Noteholders or, in the case of notices regarding a reduction or extension of the Offer Period or a change of the Fixing Date or the Issue Date, to the Distributors) will be made available for inspection as set out under the paragraph headed “Display documents” under the section headed “Additional Information about the Offering” in this Pricing Statement.

Swap Agreement/ Swap Guarantee:

To enable the Issuer to meet its payment obligations under the Notes, the Issuer will enter into a Swap Agreement (including confirmations thereunder relating to an equity swap transaction and a cross currency and rate swap transaction in respect of each Series of Notes) with Morgan Stanley Asia Securities Products LLC as Swap Counterparty. The obligations of the Swap Counterparty will be guaranteed by Morgan Stanley as Swap Guarantor pursuant to the Swap Guarantee. A summary of the swap arrangements and a description of the Swap Agreement and Swap Guarantee are set out in the section headed “Summary of the Swap Arrangements” in this Pricing Statement.

Security:

In respect of each Series of Notes, pursuant to the provisions of the Principal Trust Deed and a supplemental trust deed (the supplemental trust deed in respect of the Series 15 Notes the “**Fifteenth Supplemental Trust Deed**”, the supplemental trust deed in respect of the Series 16 Notes the “**Sixteenth Supplemental Trust Deed**” and the Fifteenth Supplemental Trust Deed together with the Principal Trust Deed is a “**Trust Deed**” in respect of the Series 15 Notes, the Sixteenth Supplemental Trust Deed together with the Principal Trust Deed is a “**Trust Deed**” in respect of the Series 16 Notes) to be entered into between, amongst others, the Issuer and the Trustee on or about the Issue Date. The Issuer will grant Security over the Charged Assets described below to the Trustee. The Trustee shall hold such Security on behalf of the Secured Creditors.

Charged Assets:

In respect of each Series of Notes:

- a fixed charge of its rights attaching to or relating to the Underlying Assets and all sums derived therefrom (see the section headed “Information on the Underlying Assets” in Part 1 of the Base Prospectus and the section headed “Information about the Underlying Assets” in this Pricing Statement);
- an assignment of all its rights, title and interest under the Swap Agreement, the Swap Guarantee and the Agency Agreement, including all its rights

against the Custodian, to the extent they relate to the Underlying Assets, including, amongst others, all rights to the delivery of such Underlying Assets against the Custodian or any Clearing System; and

- a fixed charge of all sums (i) received under the Swap Agreement and the Swap Guarantee, and (ii) held by the Principal Paying Agent or the Custodian to meet payments due in respect of such Series of Notes.

Secured Creditors:

The claims of the Trustee, the Custodian, the Principal Paying Agent and the Swap Counterparty against the Issuer will rank prior to the claims of the Noteholders under the Notes in the application of all monies received in connection with the realisation or enforcement of the Charged Assets (please see further the paragraph headed “Order of Priorities” below). In realising the Charged Assets, the Trustee is obliged to act in accordance with the directions of the Instructing Creditor.

Instructing Creditor:

Swap Counterparty

Order of Priorities:

All monies received by the Trustee in respect of the Charged Assets of a Series of Notes will be applied in the following order of priorities:

- (a) First, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by CDP in carrying out its duties as the Clearing System for the Notes, or the Trustee or any receiver in preparing and executing the trusts under the notes and the Trust Deed in respect of such Series (including any taxes required to be paid, the costs of realising or enforcing any security and the Trustee’s remuneration);
- (b) Secondly, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Principal Paying Agent, the Custodian and the Administrator in respect of such Series other than those set out in (d) below;
- (c) Thirdly, rateably in meeting the claims (if any) of the Swap Counterparty under the Swap Agreement in respect of such Series (which for this purpose shall include any claim of the Custodian for reimbursement in respect of payments made to the Swap Counterparty under the Swap Agreement and relating to sums receivable on the Underlying Assets);
- (d) Fourthly, rateably in meeting the claims (if any) of the holders of the Notes and the Coupons of the relevant Series of Notes (as defined in the Equity Master Conditions) (which for this purpose will include any claim of the Custodian and the Principal Paying Agent for reimbursement in respect of payment of principal and interest made to holders of the Notes and/or the Coupons) of the relevant Series of Notes; and
- (e) Fifthly, in payment of the balance (if any) to the Issuer.

Underlying Assets:

The Issuer will invest the entire issue proceeds of each Series of Notes in USD floating rate notes due 2011 to be issued by Morgan Stanley B.V. under its Program for the Issuance of Notes and unconditionally and irrevocably guaranteed by Morgan Stanley which shall be referred to in this Pricing Statement as the “**Underlying Assets**”. The said guarantee is a guarantee of payment of all sums payable in respect of the Underlying Assets. Notwithstanding this guarantee, an early redemption or event of default in respect of the Underlying Assets will cause a Mandatory Redemption Event or Event of Default (as the case may be) in respect of the Notes. In such circumstances, investors are likely to receive less and possibly substantially less than the Principal Amount of the Notes. See

the section headed “Information About the Underlying Assets” in this Pricing Statement for a description of the Underlying Assets.

Equity Master Conditions:

This section of this Pricing Statement is a summary of those important terms of the Notes which are not otherwise contained in Part 1 of the Base Prospectus, the Supplementary Base Prospectuses and the Applicable Annex. The full terms and conditions of the Notes of each Series can be reviewed by reading together the following:

- (a) the Equity Master Conditions, which comprise the basis of all the Equity-Linked Notes to be issued under the Programme, and which are set out in full in the Applicable Annex; and
- (b) the Pricing Supplement for each Series of the Notes to be issued on the Issue Date of the Notes, which applies and/or disapplies and/or supplements or amends the Equity Master Conditions in the manner required to reflect the particular terms and conditions applicable only to the relevant Series of Notes described in this Pricing Statement. A form of the Pricing Supplement is set out in this Pricing Statement in respect of each Series.

Some of the terms used in this summary will have precise definitions set out in the Equity Master Conditions which may be dependent on certain applicable circumstances. For example, whether a particular day is a Scheduled Trading Day would be dependent on whether the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions. As at the date of this Pricing Statement, there are no Related Exchanges and, accordingly, Scheduled Trading Day means any day on which the Exchange is scheduled to be open for trading for its regular trading session. However, during the term of the Notes, the Determination Agent, acting for and on behalf of the Issuer, may determine that there are Related Exchanges which are applicable. This will then have an effect on the days which are determined to be Scheduled Trading Days.

Noteholder call option:

Noteholders will not have any option to redeem the Notes early.

Issuer Call Option:

The Issuer will not have any option to redeem the Notes early.

Rating:

The Notes will not have the benefit of any credit rating.

Listing:

The Notes will not be listed on any exchange.

Limited recourse:

In respect of each Series of Notes, claims against the Issuer by the Secured Creditors, including the Noteholders, will be limited to the Security for such Series of Notes. If the net proceeds from the realisation of the Charged Assets are not sufficient to make all payments due in respect of such Series of Notes, the obligations of the Issuer in respect of such Series of Notes will be limited to such net proceeds of realisation and no other assets of the Issuer will be available to meet any remaining claims of the Noteholders and such remaining claims of the Noteholders will be extinguished. See the paragraph “Order of Priorities” above for a description of how the claims of the Secured Creditors, including the Noteholders, would rank in the case of any shortfall.

## **ADDITIONAL RISK FACTORS IN RESPECT OF THE NOTES**

*Prior to making an investment decision, prospective investors should carefully consider the contents of the Applicable Annex (attached as an Appendix to the Supplementary Base Prospectus dated 8 May 2008), the Supplementary Base Prospectuses and Part 1 of the Base Prospectus, in particular the sections headed “Risk Disclosures” in the Applicable Annex and “Risk Factors” in Part 1 of the Base Prospectus therein. Structured securities such as the Notes are sophisticated instruments and can involve a high degree of risk.*

*Prospective investors however should be aware that this Pricing Statement, together with the Base Prospectus, can only disclose the most relevant risks and cannot disclose all the risks of the Notes. The information set out herein is included for the purpose of enabling prospective investors to make an informed assessment of the terms of the Notes, general risks of investing in the Notes and the capacity of the Issuer to fulfil its obligations under the Notes. No person should purchase or deal in the Notes unless they understand the nature of the transaction and the extent of their exposure to potential loss. Prospective investors in the Notes should therefore consult their own legal, tax, accountancy and other professional advisers to assist them to determine the suitability of the Notes for them as an investment.*

*Notwithstanding its ability to understand and make independent decisions regarding investing in the Notes, by purchasing Notes, a prospective investor shall be treated by the Issuer as implicitly representing and warranting that he has assumed, and is willing to assume, the complexity and risks inherent in the Notes, regardless of whether or not he has disclosed the same to the Issuer.*

### **Volatility of the Share**

The price of the Share is affected by various factors including but not limited to changes in governmental and economic policies, law, legislation, taxation or inflation in Singapore or in the relevant countries from which the Company derives its revenue. A high degree of volatility means that there could be substantial fluctuations in the price of the Share, which may lead to a higher probability that the Final Price could be less than 90 per cent. of the Initial Price of the Share. As such, the Equity Bonus Coupon payable in respect of the Notes could be zero.

### **Initial Price to be determined on Fixing Date**

The Initial Price will only be determined on the Fixing Date after the close of the Offer Period. Prospective investors in the Notes are therefore required to commit to the purchase of such Notes before the Initial Price is known.

### **Payment of the Fixed Coupon Amounts and the Equity Bonus Coupon on the Notes is not guaranteed**

In the event that a Mandatory Redemption Event or an Event of Default occurs, the Notes will be redeemed early. The Fixed Coupon Amounts and/or the Equity Bonus Coupon will not be payable after the Notes have been early redeemed.

### **The Equity Bonus Coupon may not be payable**

The Equity Bonus Coupon is payable only if the Final Price of the Share is greater than or equal to its Initial Price on the Valuation Date, expected to be 27 January 2011 in respect of the Series 15 Notes and 28 November 2011 in respect of the Series 16 Notes. There can be no assurance that the Final Price of the Share will be greater than or equal to its Initial Price on the Valuation Date. In the event that the Final Price of the Share is less than its Initial Price on the Valuation Date, no Equity Bonus Coupon will be paid to investors.

### **Substitution of the Share**

On the occurrence of an Extraordinary Event, the Determination Agent may, acting for and on behalf of the Issuer, and in its sole and absolute discretion determine that the Share shall be replaced with a substituted share (the “**Substituted Share**”). The Determination Agent has sole and absolute discretion over the selection of the Substituted Share. There is no assurance that the performance of the Substituted Share will be identical or similar to the performance of the Share. In the event that the Share is substituted, the Determination Agent may in its sole and absolute adjustments make any corresponding changes to the terms of the Notes it considers in its sole and absolute

discretion to be appropriate. There is no assurance that the terms governing the Equity Bonus Coupon corresponding to the Substituted Share will be identical or similar to the terms governing the Equity Bonus Coupon corresponding to the Share.

**Although the Notes are considered to be principal protected if held until the Scheduled Maturity Date, redemption of the Notes at 100 per cent. of their principal amount is not guaranteed. Investors could still lose part, and possibly all, of their investment**

If the Issuer has to redeem the Notes early due to taxation or other reasons, it will have to sell the Underlying Assets and terminate the Swap Agreement in order to make such redemption. The Notes will be redeemed on the Early Redemption Date at the Early Redemption Amount. The Early Redemption Amount will be an amount equal to the Liquidation Proceeds (as defined in the Equity Master Conditions) of the Underlying Assets and/or any proceeds received in respect of the Underlying Assets on or prior to the Early Redemption Date plus or minus (as the case may be) the Swap Settlement Amount (as defined in the Equity Master Conditions) payable by the Swap Counterparty or the Issuer (as the case may be) on the termination of the Swap Agreement. The Liquidation Proceeds will be subject to certain deductions relating to the costs and expenses associated with the sale of the Underlying Assets. The Early Redemption Amount which investors will receive upon redemption of such Notes as described may be affected by various factors (please refer to the sections headed “Risk Disclosures” in the Applicable Annex and “Risk Factors” in Part 1 of the Base Prospectus for further details), and may be substantially less than the principal amount of the Notes invested.

The Issuer will have to redeem the Notes early if:

- an Enforcement Notice is given upon the occurrence of an Event of Default under the Notes; or
- there is a Mandatory Redemption Event.

Please see Conditions 7 and 11 of the Equity Master Conditions for more details.

Fixed Coupon Amounts and the Equity Bonus Coupon (if any) will cease to be payable on the Notes after the Notes are redeemed.

In all these cases, the amount the Issuer will be able to pay back on the Notes will likely be less, and could be significantly less, than the principal amount of the Notes. Accordingly, it is possible that investors could lose all of their investment.

**Among other things, principal protection of the Notes depends on the performance and creditworthiness of the issuer and the guarantor of the Underlying Assets, the Swap Counterparty and the Swap Guarantor**

The Notes are principal protected only if held until the Scheduled Maturity Date and provided that an Event of Default or a Mandatory Redemption Event (including an Equity Termination Event) has not occurred. This means that investors would be relying on the performance and creditworthiness of the issuer and the guarantor of the Underlying Assets as any Underlying Disposal Event in respect of the Underlying Assets (such as a payment default in respect of the Underlying Assets) results in the Notes being redeemed at the Early Redemption Amount, which may be less than the outstanding principal amount of the Notes, and accordingly no principal protection would apply. Further, the Issuer will only be able to pay back 100 per cent. of the principal amount of the Notes if it receives the corresponding payments under the Swap Agreement. Therefore, investors will also be relying on the performance and creditworthiness of the Swap Counterparty and the Swap Guarantor for the principal protection of the Notes. Prospective investors should also understand that the Notes are limited recourse obligations of the Issuer secured on the Charged Assets (including any Underlying Assets comprised therein) and are not obligations or responsibilities of, or guaranteed by, any other person or entity. Please refer to the paragraph headed “Limited Recourse and Non-Petition” in the section headed “Risk Factors” in Part 1 of the Base Prospectus for further details.

**Upon the occurrence of an Extraordinary Event or an Additional Disruption Event the Determination Agent may, acting for and on behalf of the Issuer, if it so determines, redeem the Notes early or make certain adjustments to the terms of the Notes. Upon the occurrence of a Potential Adjustment Event or Correction of Share Price, the Determination Agent may also make certain adjustments to the terms of the Notes**

The Notes are linked to the share price performance of the Share. If an Extraordinary Event or Additional Disruption Event (details of which are set out in the Applicable Annex) occurs, the Determination Agent, acting for and on behalf of the Issuer, will, in its absolute discretion, determine whether the Notes shall continue or shall be redeemed early (in which case an Equity Termination Event, giving rise to a Mandatory Redemption Event, shall occur). If the Determination Agent determines after the occurrence of an Extraordinary Event or Additional Disruption Event that the Notes will continue, the Determination Agent may make such adjustment, if any, as it, acting for and on behalf of the Issuer, in its sole and absolute discretion, considers appropriate, to the formula of the Fixed Coupon Amounts or Equity Bonus Coupon and, in any case, any other variable relevant to the settlement or payment terms of the Notes and/or any adjustment (including without limitation, (in the case of an Extraordinary Event or Additional Disruption Event) the cancellation of terms applicable in respect of the Share).

**During the term of the Notes, the holder of the Notes will have no rights to the Share or against the Company**

Investing in the Notes is not the same as buying the Share. Investors will not own or have any beneficial or other legal interest in, and will not be entitled to, any rights with respect to the Share. This means that investors in the Notes do not have or receive any rights in respect of the Share, or against the Company. Investors will not have any right to call for the Share to be delivered to them or voting rights vested in the Share or any other rights that the holders of the Share would have. In the event of any loss on a Noteholder's investment under the Notes, such Noteholder will not have recourse under the Notes to the Share or against the Company.

**Investors have no rights against the Exchange**

The Exchange will not be liable to the investors for any error in the price of the Share and is under no obligation to advise investors of such error. If the Exchange corrects the Initial Price or the Final Price, the Determination Agent will determine the relevant value using the correction by the Exchange. If the relevant value is different from the result of the original determination of the Determination Agent, the Determination Agent may adjust any relevant terms accordingly, to the extent it determines to be necessary or practicable.

**Changes in the market price of the Share may not lead to corresponding changes in the market value of the Notes**

The Notes are a structured investment product; buying the Notes is not the same as buying the Share. Increases in the price of the Share may not lead to an increase in the market value of the Notes of the same magnitude or even any increase at all. In addition, the market value of the Notes may be affected by other factors not directly related to the market price of the Share, such as market interest rate movements.

**Morgan Stanley, the guarantor of the Underlying Assets and the Swap Guarantor, may experience further writedowns of its financial instruments and other losses related to volatile and illiquid market conditions.**

Morgan Stanley recorded US\$9.4 billion in mortgage-related writedowns in the fourth quarter of fiscal 2007, including US\$7.8 billion relating to its U.S. subprime trading positions and US\$1.6 billion relating to other mortgage-related products, such as commercial mortgage-backed securities, ALT-A and other loans, conduit and non-performing funds and European non-conforming loans, and an impairment charge related to mortgage-related securities portfolios in its domestic subsidiary banks. Further writedowns were recorded in the first quarter of fiscal 2008. It continues to have exposure to these markets and products and as market conditions continue to evolve the fair value of these mortgage-related instruments could further deteriorate. In addition, recent market volatility has made it extremely difficult to value certain of its securities. Subsequent valuations, in light of factors then prevailing, may result in significant changes in the values of these securities in future periods. In addition, at the time of any sales and settlements of these securities, the price it ultimately realizes will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could require Morgan Stanley to take further writedowns in the value of its securities portfolio, which may have an adverse effect on its results of operations in future periods.

The results for fiscal 2007 and first quarter of fiscal 2008 included other losses primarily related to the illiquid market conditions that existed during the second half of fiscal 2007 and first quarter of fiscal 2008. These included losses reflecting mark-to-market valuations associated with loans and loan commitments largely related to acquisition financing to non-investment grade companies. Morgan Stanley's leveraged finance business originates and distributes loans and commitments, and intends to distribute its current positions; however, this may take longer than in the past and is dependent on liquidity reentering the market and additional writedowns of these loans and commitments may occur. The valuation of these commitments could change in future periods depending on, among other things, the extent that they are renegotiated or repriced or the associated acquisition transaction does not occur.

Other areas of its business which to date have not been adversely affected by the illiquidity in its mortgage and lending businesses could be adversely affected if the current conditions in the credit market spread to other sectors.

## SUMMARY OF THE SWAP ARRANGEMENTS

*The following description is a summary only of certain aspects of the Swap Agreement and the Swap Guarantee and is subject in all respects to the actual terms of the Swap Agreement and the Swap Guarantee. Investors are deemed to have notice of and to be bound by the terms of the Swap Agreement and the Swap Guarantee. Capitalised terms used in this section and not defined elsewhere in this Pricing Statement have the meanings given to them in the Swap Agreement.*

### **Description of the Swap Agreement and the Swap Guarantee**

The Issuer will enter into an ISDA Master Agreement (Multicurrency-Cross Border) and Schedule thereto on or before the Issue Date with Morgan Stanley Asia Securities Products LLC as “**Swap Counterparty**” (the ISDA Master Agreement (Multicurrency-Cross Border) together with the relevant Schedule thereto, the “**Swap Master Agreement**”) in connection with the Programme. In connection with the issue of each of the Series 15 Notes and Series 16 Notes, the Issuer will execute certain confirmations (each a “**Confirmation**”) confirming the terms of certain cross currency and rate swap transactions and equity swap transactions that will be governed by the Swap Master Agreement. In respect of each Series of Notes, the relevant Confirmations in respect of the Notes, together with the Swap Master Agreement, create a single agreement and are together referred to as the “**Swap Agreement**”. The Swap Agreement for each of the Series 15 Notes and Series 16 Notes are collectively referred to as the “**Swap Agreements**”.

In connection with the entry into by the Issuer and the Swap Counterparty of the Swap Master Agreement, Morgan Stanley as the “**Swap Guarantor**” will execute a Swap Guarantee dated on or before the Issue Date in favour of the Issuer (the “**Swap Guarantee**”). Pursuant to the provisions of the Swap Guarantee, the Swap Guarantor will unconditionally guarantee to the Issuer the due and punctual payment of all amounts payable by the Swap Counterparty to the Issuer under the Swap Agreements.

The Series 15 Notes and Series 16 Notes will not be obligations of and will not be guaranteed by either the Swap Counterparty or the Swap Guarantor. The Swap Guarantee comprises a guarantee only in respect of the Swap Counterparty’s obligations to pay all amounts due and payable to the Issuer under the respective Swap Agreements.

### **Description of the Swap Counterparty**

Morgan Stanley Asia Securities Products LLC (“**MSASP**”) was incorporated under the laws of Cayman Islands on 23 November 1995 under the name Morgan Stanley Asia Regional (Holdings) I LLC. Its name was subsequently changed from MSDW Asia Securities Products LLC to its present name on 16 May 2007. Its registered office is at P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands. MSASP was established with unrestricted objects and has full power and authority to carry out any object not prohibited by the Companies Law (1995 Revision) of the Cayman Islands. Its principal activities have been acting as a holding company to several Morgan Stanley group companies in Asia Pacific and as a booking entity for Morgan Stanley group’s activities in Asia Pacific including swap transactions.

MSASP is ultimately wholly-owned by Morgan Stanley.

### **Description of the Swap Transactions**

#### ***Cross Currency and Rate swap transactions***

*Initial exchange:* In respect of the cross currency and rate swap transaction relating to each Series of Notes, the Issuer will pay to the Swap Counterparty an amount equal to the SGD issue proceeds of each Series of Notes and receive an amount in USD from the Swap Counterparty for the purpose of purchasing the Underlying Assets (which will be denominated in USD) in respect of each Series of Notes.

*Periodic payments:* Thereafter, in respect of the cross currency and rate swap transactions relating to each Series of Notes, coupon amounts (which will be in USD) receivable under the Underlying Assets will be used to make payments to the Swap Counterparty.

*Final exchange:* In respect of the cross currency and rate swap transaction relating to each Series of Notes, upon the Scheduled Maturity Date, the Issuer will pay to the Swap Counterparty an amount equal to the principal

redemption proceeds receivable from the Underlying Assets, and shall receive an amount in SGD equal to the principal amount of each Series of Notes to be paid under the relevant Series of Notes.

### ***Equity swap transactions***

Under the equity swap transaction in respect of each Series of Notes the Swap Counterparty will pay to the Issuer, on or before each Interest Payment Date under the Notes of such Series amounts in SGD corresponding to the payment obligations of the Issuer under each Series of Notes which fall due on each Interest Payment Date. Such payment will include the Fixed Coupon Amount and the Equity Bonus Coupon but not amounts of principal due for repayment.

### ***Transfer***

Under the terms of the Swap Agreement in respect of each Series of Notes, the Swap Counterparty has the right to transfer the Swap Agreement, by way of novation, to an affiliate of the Swap Counterparty provided that the Issuer will continue to have the benefit of the Swap Guarantee after such transfer.

### **Termination of Swap Agreement**

Morgan Stanley & Co. International plc (“**MSIplc**”) shall, in connection with each Series of Notes, be granted the right, with respect to the Notes that it beneficially owns, to exchange any or all of such Notes for a pro-rata amount of Underlying Assets from the Issuer (see the section headed “Morgan Stanley Exchange Option” in Part 1 of the Base Prospectus). If MSIplc exercises the Morgan Stanley Exchange Option in respect of a portion of the relevant Series of Notes, a corresponding portion of the Swap Agreement (equal to that proportion of the Notes to be exchanged) will be terminated without any termination payment being due from the Issuer or the Swap Counterparty.

The Swap Agreement in respect of each Series of Notes may also be terminated early if one or more of the following events occur:

(a) at the election of the non-defaulting party upon an “Event of Default” under the terms of the Swap Agreement, including:

- (i) the failure of the other party to make a payment or delivery when due and payable under the Swap Agreement;
- (ii) the occurrence of certain insolvency-related events; and
- (iii) non-compliance by the Swap Guarantor with any of its obligations under the Swap Guarantee or the ceasing of the Swap Guarantee to be in full force and effect; and

(b) on the occurrence of certain “Termination Events”, under the terms of the Swap Master Agreement including:

- (i) it becoming illegal for either party to perform its obligations under the Swap Agreement or the Swap Guarantor to perform its obligations under the Swap Guarantee; and
- (ii) when the Notes become due and payable (in whole but not in part) prior to their Scheduled Maturity Date.

The relevant Swap Agreement provides that neither the Issuer nor the Swap Counterparty will in any circumstances be under any obligation to pay to the other party any amount in respect of any liability for or on account of any Tax (as defined in the relevant Swap Agreement). Accordingly, if any deduction or withholding is imposed on either party, the relevant Swap Agreement relating to the relevant Series may be terminated, and if so terminated the Notes of the relevant Series will become repayable as described below.

Upon an early termination of the relevant Swap Agreement (in whole or in part) (other than as a result of the exercise by MSIplc of the Morgan Stanley Exchange Option, or such other circumstances as set out in the relevant Swap Agreement), and if the relevant Swap Agreement (or the relevant part, as applicable) is not replaced on or prior to such termination, the relevant Series of Notes will be subject to early redemption. Furthermore, upon an early termination (in whole or in part) of the relevant Swap Agreement (other than as a result of the exercise by MSIplc of the Morgan Stanley Exchange Option, or such other circumstances as set out in the relevant Swap Agreement), the Issuer or the Swap Counterparty may be liable to make a termination payment (determined in accordance with the relevant Swap Agreement and as described below) to the other (regardless, if applicable, of which of such parties may have

caused such termination). There is no assurance that the proceeds from the sale of the Underlying Assets plus (if such payment is owed to the Issuer) or minus (if such payment is owed by the Issuer) such termination payment will be sufficient to pay the principal amount and/or interest due to be paid in respect of the Notes. The claims of the Swap Counterparty against the Issuer under the relevant Swap Agreement shall rank prior to the claims of the Noteholders in the application of all monies received in connection with the relation or enforcement of the security in respect of the relevant Series of Notes.

The termination payment following an early termination of the relevant Swap Agreement (in whole or in part) as described in the paragraph above will be calculated and made in USD or such other currency as may be specified in the relevant Swap Agreement. The amount of any such termination payment will reflect the total losses or gains, and costs incurred, in the termination of the relevant Swap Agreement and the termination payment would typically take into account the market value of the terminated relevant Swap Agreement based on market quotations of the cost of entering into a swap transaction with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties. Any such termination payment could, depending on fluctuations in exchange rates and/or the interest rate environment, be substantial.

## INFORMATION ABOUT THE SHARE

*The Notes are linked to the performance of the Share set out below. The Issuer is not related to the Company and does not have any special access to information in relation to the Share or the Company and prospective investors must rely on publicly available information on the business, financial condition, prospects, creditworthiness, status or affairs of the Share and the Company in deciding whether to make an investment in the relevant Series of Notes.*

*While each of the Issuer and the Arranger has taken reasonable care to correctly extract and reproduce such information, none of the Issuer, its directors, the Arranger, the Trustee, any Agent, the Swap Counterparty, the Distributors or any of their representative Affiliates is responsible for the accuracy of this information. None of the Issuer, its directors and the Arranger makes any representations as to the Share and/or the Company.*

**None of the Issuer, its directors and the Arranger, expects, to the best of its respective knowledge and belief, that there will be, other than as disclosed in this Pricing Statement, any legal or regulatory provisions which would materially affect the performance of the Share. Neither the Issuer nor the Arranger has conducted or will be conducting independent investigations on the Share in respect of (i) any legal or regulatory provisions which may materially affect the performance of the Share, (ii) any significant representations and warranties made concerning the Share or the Company, (iii) the nature and extent of the exposure of the Company to any other entity and (iv) the material terms or agreements involving the Company. Neither the Issuer nor the Arranger makes any representations as to the Share. Prospective investors should make their own investigations and analysis of the Share and/or the Company.**

*Prospective investors must have sufficient knowledge, experience and professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Notes. Prospective investors must not rely on the Issuer, its directors, the Arranger, the Trustee, any Agent, the Swap Counterparty, the Distributors or any of their respective Affiliates to provide them with any information relating to, or to keep under review on their behalf, the business, financial conditions, prospects, creditworthiness, status or affairs of the Share or the Company or conduct any investigation or due diligence with respect to the Share or the Company.*

**In respect of the information set out below none of the Issuer, its directors, the Arranger, the Trustee, any Agent, the Swap Counterparty or any of their respective Affiliates will keep the Noteholders and/or investors informed of developments relating to the Share or the Company. None of the Issuer, its directors, the Arranger, the Trustee, any Agent, the Swap Counterparty and the Distributors are responsible for any public disclosure of information by the Company.**

**Upon the occurrence of a Potential Adjustment Event, a Correction of Share Price, an Extraordinary Event or an Additional Disruption Event, the Determination Agent, acting for and on behalf of the Issuer, may in its sole and absolute discretion make any of the adjustments set out in the Equity Master Conditions (as applicable) in relation to the occurrence of such events or in certain circumstances, determine that no such adjustments are possible and accordingly, the Notes shall be redeemed early which will constitute an Equity Termination Event giving rise to a Mandatory Redemption Event.**

The Arranger or an Affiliate of the Arranger may presently or from time to time engage in business with the Company. Please see the paragraph “No affiliation with companies” in the section entitled “Risk Disclosures” in the Appendix to the Supplementary Base Prospectus dated 8 May 2008 for more information.

**The following information has been provided for information purposes only and has been extracted from information published by Bloomberg L.P. on 24 June 2008 that is publicly available. Bloomberg L.P. has not specifically consented to the inclusion of the information set out in this section for the purposes of Section 249 of the SFA and is therefore not liable for the information set out in this section under Sections 253 and 254 of the SFA. The information set out in this section is subject to any disclaimers of Bloomberg L.P. applicable from time to time as set out in its website, <http://www.bloomberg.com>. Please refer to the statement on the “References to websites” at the end of this section. None of the Issuer, its directors, the Arranger, the Trustee, any Agent, the Swap Counterparty, or any of their respective Affiliates assumes any responsibility for the accuracy of such information or its suitability to prospective investors.**

**Company Name:** Singapore Telecommunications Ltd. (“Singtel”)

**Bloomberg Code:** ST:SP

Singtel operates and provides telecommunications systems and services. Singtel provides postal services, directory advertising and publishing. Singtel sells and maintains telecommunication equipment and provides mobile phone and paging services, computer networks and Internet and information technology services. Singtel was incorporated with limited liability under the laws of Singapore and its registered address at 31 Exeter Road, Comcentre, Singapore (239732). The shares of Singtel are listed on the Singapore Exchange Securities Trading Limited.

More information on Singtel can be found on its website at [www.singtel.com.sg](http://www.singtel.com.sg).

The following chart shows the closing share price of the Share from 25 June 2003 to 24 June 2008.



Prospective investors should note that the price performance of the Share in any future period may not mirror the price performance of the Share in the past.

Singtel is not an Affiliate of the Issuer or the Arranger.

#### References to websites

All references to websites in this Pricing Statement are intended to assist prospective investors to access further public information relating to the subject matter indicated. Prospective investors should conduct their own web searches to ensure that they are viewing the most up-to-date information. Information appearing on such websites does not form any part of the Prospectus. None of the Issuer, the Arranger, the Trustee, any Agent, the Distributors, the Swap Counterparty, or any of their respective Affiliates accepts any responsibility whatsoever that such information, if available, is accurate and/or up-to-date, and no responsibility is accepted in relation to any such information by any person responsible for the Prospectus.

The offer of the Notes by the Issuer is made solely on the basis of the information contained in the Prospectus and prospective investors should exercise an appropriate degree of caution when assessing the value of other information which may appear on such websites.

## INFORMATION ABOUT THE UNDERLYING ASSETS

The following is a summary description of the Underlying Assets in respect of the Notes. Please also refer to the section headed "Information on the Underlying Assets" and the section headed "Risk Factors" in Part 1 of the Base Prospectus. In this Pricing Statement, "S&P" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc.; "Moody's" means Moody's Investors Service, Inc.; and "Fitch" means Fitch Ratings Ltd. Each of S&P, Moody's and Fitch is a "Rating Agency", and together, the "Rating Agencies".

### Underlying Assets

On or about the Issue Date, the Issuer will invest the entire proceeds of issuance of the Notes in the Underlying Assets, which will consist of US dollar denominated unsecured floating rate notes to be issued by Morgan Stanley B.V. under its Program for the Issuance of Notes and unconditionally and irrevocably guaranteed by Morgan Stanley. Notwithstanding this guarantee, an early redemption or event of default in respect of the Underlying Assets will cause a Mandatory Redemption Event or Event of Default (as the case may be) in respect of the Notes. In such circumstances, investors are likely to receive less and possibly substantially less than the Principal Amount of the Notes.

A summary of the expected principal terms and conditions of the Underlying Assets is set out below.

<b>Underlying Assets Issuer</b>	Morgan Stanley B.V., a private company incorporated with limited liability under the laws of The Netherlands on 6 September 2001.
<b>Underlying Assets Guarantor</b>	Morgan Stanley, a Delaware incorporated holding company incorporated with limited liability under the laws of the State of Delaware on 1 October 1981, will guarantee payment of all sums payable in respect of the Underlying Assets.
<b>Guarantor Rating</b>	Long term unsecured debt ratings of "Aa3" (Moody's) / "A+" (S&P) / "AA-" (Fitch) each with negative outlook* as at 24 June 2008. Credit ratings are subject to change from time to time. Updated credit ratings may be viewed on the websites referred to below.
<b>Type</b>	Unsecured floating rate notes
<b>Issue Amount</b>	The Underlying Assets will comprise two series of notes, each with a principal amount corresponding to the USD payment received by the Issuer from the Swap Counterparty under the Swap Agreement in exchange for the aggregate principal amount of each Series of Notes
<b>Issue Date</b>	On or about the Issue Date of the Notes
<b>Maturity Date</b>	(In the case of the Underlying Assets invested into from the proceeds of the Series 15 Notes) on or about the Scheduled Maturity Date of the Series 15 Notes and (in the case of the Underlying Assets invested into from the proceeds of the Series 16 Notes) on or about the Scheduled Maturity Date of the Series 16 Notes
<b>Issue Price</b>	100 per cent. of principal amount of the Underlying Assets
<b>Floating Coupon</b>	1 month USD LIBOR - BBA plus margin
<b>Day Count Fraction</b>	Actual/360
<b>Coupon Payment Dates</b>	Monthly
<b>Redemption Amount at maturity</b>	100 per cent. of principal amount of the Underlying Assets
<b>Listing:</b>	None
<b>Rating:</b>	The Underlying Assets will not be rated.
<b>Governing Law:</b>	Laws of England and Wales

\* None of Moody's, S&P and Fitch has consented to the information set out herein. Neither the Issuer nor the Arranger makes any representation as to the accuracy or reliability of the information set out in this section, save that the Issuer and the

*Arranger have taken reasonable care to correctly extract and/or reproduce such information in its proper form and context. Prospective investors can find out more information on credit ratings at the websites of Moody's at www.moody's.com, S&P at www.standardandpoors.com and Fitch at www.fitchratings.com. Please refer to the paragraph headed "References to websites" in the section headed "Information about the Share" in this Pricing Statement for a warning statement and a disclaimer relating to the usage of information contained in the websites referred to above.*

On or about the Issue Date, it is expected that the Issuer will use the proceeds from the issue of each of the Series 15 Notes and Series 16 Notes to subscribe for the Underlying Assets. The subscription price to be paid by the Issuer for the Underlying Assets will be an amount approximately equal to 100 per cent. of the principal amount of the Underlying Assets (being the USD payment received by the Issuer from the relevant Swap Counterparty under the Swap Agreement in exchange for the Singapore dollar proceeds from the issue of each of the Series 15 Notes and Series 16 Notes). Any fees or expenses to be incurred by the Issuer in connection with the subscription of the Underlying Assets are not expected to be deducted from the proceeds of the issue of the Notes.

The Underlying Assets will, when issued by the issuer of the Underlying Assets, pay interest on a monthly basis. The interest rate applicable to the Underlying Assets is expected to be the 1 month USD LIBOR - BBA plus a margin, such interest to accrue from the issue date of the Underlying Assets.

Neither the Issuer nor the Arranger expects, to the best of its knowledge, that there will be any legal or regulatory provisions which would materially affect the performance of the Underlying Assets.

### **Issuer of the Underlying Assets**

Morgan Stanley B.V. ("**MSBV**") was incorporated as a private limited company under the laws of the Netherlands on 6 September 2001 for an unlimited duration. MSBV is registered at the commercial register of the Chamber of Commerce and Industries for Amsterdam under registered number 34161590 with registered offices at Locatellikade 1, 1076 AZ Amsterdam.

MSBV's objects are, *inter alia*, to issue notes, warrants and other securities. MSBV conducts its business from the Netherlands.

MSBV has no subsidiaries. It is ultimately controlled by Morgan Stanley.

The net revenue for the financial years ended 30 November 2007 and 2006 was EUR 2,573,000 and EUR 908,000 respectively, representing issuance fees received on the issuance of financial instruments less guarantee fees payable. The (loss)/profit before tax for the financial years ended 30 November 2007 and 2006 was a profit of EUR 2,962,000 and a profit of EUR 1,075,000 respectively.

The current assets of MSBV have risen from EUR 3,893,257,000 in 2006 to EUR 10,182,479,000 in 2007 with the total amount owing to creditors rising from EUR 3,890,086,000 in 2006 to EUR 10,177,111,000 in 2007. The principal reason for the increase in debt was an increase in demand for financial instruments.

All material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley group companies. The obligations of MSBV pursuant to such transactions are substantially guaranteed by Morgan Stanley. If any of these Morgan Stanley group companies incur losses with respect to any of their activities (irrespective of whether those activities relate to MSBV or not) their ability to fulfil their obligations to MSBV could be impaired, thereby exposing holders of securities issued by MSBV to a risk of loss.

There are no litigation or arbitration proceedings against or affecting MSBV or any of its assets, and neither the Issuer nor the Arranger are aware, to the best of its knowledge, of any pending or threatened proceedings which could reasonably be expected to have or might have a material adverse effect on the financial condition of MSBV.

*Please refer to the section headed "Information on the Underlying Assets" in Part 1 of the Base Prospectus for further details relating to the Underlying Assets.*

## INFORMATION ABOUT MORGAN STANLEY

*The following is a summary description of Morgan Stanley. When any text in this section refers to “we”, “us”, “our” or “ourselves”, it is referring to Morgan Stanley together with its subsidiaries.*

### Underlying Assets Guarantor and Swap Guarantor

Morgan Stanley is the Swap Guarantor pursuant to the Swap Guarantee whereby it will unconditionally guarantee to the Issuer the due and punctual payment of all amounts payable by the Swap Counterparty to the Issuer under the relevant Swap Agreement. See the section headed “Summary of the Swap Arrangements” in this Pricing Statement for further information.

Morgan Stanley will also be the guarantor of the Underlying Assets pursuant to a deed of guarantee dated as of 10 June 2002 whereby it will unconditionally and irrevocably guarantee the payment of all amounts due in respect of the Underlying Assets to be issued by Morgan Stanley B.V. See the section headed “Information about the Underlying Assets” in this Pricing Statement for further information.

The Arranger is indirectly wholly owned by Morgan Stanley. The Issuer is not an Affiliate of Morgan Stanley.

### History and Background

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides its products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware on 1 October 1981, and its predecessor companies date back to 1924. As at the date of this Pricing Statement, Morgan Stanley’s legal and commercial name is “Morgan Stanley”.

Morgan Stanley’s objects and purposes are set out in Article III of its Certificate of Incorporation and enable it to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

Morgan Stanley’s principal executive offices are at 1585 Broadway, New York, New York 10036, and its telephone number is (212) 761-4000. The registered office of Morgan Stanley is at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, U.S.A., registration number 0923632. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S. and its principal offices in London, Tokyo, Hong Kong and other world financial centers. At 29 February 2008, Morgan Stanley had 47,050 employees worldwide.

The Directors of Morgan Stanley as of the date of this Pricing Statement are the following: John J. Mack, Roy J. Bostock, Erskine B. Bowles, Howard J. Davies, C. Robert Kidder, Donald T. Nicolaisen, Charles H. Noski, Hutham S. Olayan, Charles E. Phillips Jr, O. Griffith Sexton and Laura D’Andrea Tyson.

### Business and Activities

Morgan Stanley is a global financial services firm that maintains significant market positions in each of its business segments - Institutional Securities, Global Wealth Management Group and Asset Management. A summary of the activities of each of the segments is as follows:

- Institutional Securities includes capital raising; financial advisory services, including advice on mergers and acquisitions, restructurings, real estate and project finance; corporate lending; sales, trading, financing and market-making activities in equity securities and related products and fixed income securities and related products, including foreign exchange and commodities; benchmark indices and risk management analytics; research; and investment activities.
- Global Wealth Management Group provides brokerage and investment advisory services covering various investment alternatives; financial and wealth planning services; annuity and insurance products; credit and other lending products; banking and cash management services; retirement services; and trust and fiduciary services.

- Asset Management provides global asset management products and services in equities, fixed income and alternative investments, which includes private equity, infrastructure, real estate, funds of funds and hedge funds, to institutional and retail clients through proprietary and third party retail distribution channels, intermediaries and the Company's institutional distribution channel. Asset Management also engages in investment activities.

## **Legal and Arbitration Proceedings**

In addition to the matters described below, in the normal course of business, Morgan Stanley has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the issuers that would otherwise be the primary defendants in such cases are bankrupt or in financial distress.

Morgan Stanley is also involved, from time to time, in other reviews, investigations and proceedings (both formal and informal) by governmental and self-regulatory agencies regarding Morgan Stanley's business, including, among other matters, accounting and operational matters, certain of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief. Morgan Stanley contests liability and/or the amount of damages as appropriate in each pending matter. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases where claimants seek substantial or indeterminate damages or where investigations and proceedings are in the early stages, Morgan Stanley cannot predict with certainty the loss or range of loss, if any, related to such matters, how or if such matters will be resolved, when they will ultimately be resolved, or what the eventual settlement, fine, penalty or other relief, if any, might be. Subject to the foregoing, Morgan Stanley believes, based on current knowledge and after consultation with counsel, that the outcome of such pending matters will not have a material adverse effect on the consolidated financial condition of Morgan Stanley, although the outcome of such matters could be material to Morgan Stanley's operating results and cash flows for a particular future period, depending on, among other things, the level of Morgan Stanley's revenues or income for such period.

### ***Coleman Litigation.***

In May 2003, Coleman (Parent) Holdings Inc. ("**CPH**") filed a complaint against Morgan Stanley in the Circuit Court of the Fifteenth Judicial Circuit for Palm Beach County, Florida relating to the 1998 merger between The Coleman Company, Inc. and Sunbeam, Inc. ("**Sunbeam**"). The complaint, as amended, alleged that CPH was induced to agree to the transaction with Sunbeam based on certain financial misrepresentations, and it asserted claims against Morgan Stanley for aiding and abetting fraud, conspiracy and punitive damages. Shortly before trial, which commenced in April 2005, the trial court granted, in part, a motion for entry of a default judgment against Morgan Stanley and ordered that portions of CPH's complaint, including those setting forth CPH's primary allegations against Morgan Stanley, be read to the jury and deemed established for all purposes in the action. In May 2005, the jury returned a verdict in favor of CPH and awarded CPH \$604 million in compensatory damages and \$850 million in punitive damages. In June 2005, the trial court issued a final judgment in favor of CPH in the amount of \$1,578 million, which included prejudgment interest and excluded certain payments received by CPH in settlement of related claims against others.

In March 2007, the District Court of Appeal for the Fourth District of Florida (the "**Court of Appeal**") issued an opinion reversing the trial court's award for compensatory and punitive damages and remanding the matter to the trial court for entry of judgment for Morgan Stanley. In June 2007, the Court of Appeal's opinion became final when the Court of Appeal issued an order denying CPH's motions for rehearing, rehearing en banc and for certification of certain questions for review by the Florida Supreme Court (the "**Supreme Court**"). On December 12, 2007, the Supreme Court denied CPH's request for review of the Court of Appeal's decision, directing judgment in favor of Morgan Stanley.

### ***IPO Fee Litigation.***

Starting in late 1998, purported class actions, later captioned *In re Public Offering Fee Antitrust Litigation* (the "**purchaser actions**") and *In re Issuer Plaintiff Initial Public Offering Fee Antitrust Litigation* (the "**issuer actions**"), were initiated in the U.S. District Court for the Southern District of New York (the "**SDNY**") against Morgan Stanley

and numerous other underwriters. The consolidated proceedings, one on behalf of purchasers and the other on behalf of issuers of certain shares in initial public offerings (“**IPOs**”), allege that defendants conspired to fix the underwriters’ spread at 7% in IPOs of U.S. companies in the \$20 million to \$80 million range in violation of Section 1 of the Sherman Act. The complaints seek treble damages and injunctive relief. Plaintiffs’ claims for damages in the purchaser actions have been dismissed, but the claims for injunctive relief remain and plaintiffs’ claims in the issuers’ actions for damages and injunctive relief remain. Plaintiffs moved for class certification in both actions, and defendants opposed that motion in May 2005. In October 2005, plaintiffs moved for summary judgment, which defendants opposed. In May 2006, plaintiffs filed a petition pursuant to Federal Rule of Civil Procedure 23(f) for leave to appeal the SDNY’s denial of class certification and in September 2007, the U.S. Court of Appeals for the Second Circuit (the “**Second Circuit**”) reversed the SDNY’s decision and remanded the case back to the district court for further consideration of class certification issues. On remand, plaintiffs filed a motion for class certification on October 17, 2007, which defendants opposed.

#### ***IPO Allocation Matters.***

Beginning in March 2001, numerous purported class actions, now captioned *In re Initial Public Offering Securities Litigation*, were filed in the SDNY against certain issuers of IPO securities, certain individual officers of those issuers, Morgan Stanley and other underwriters of those IPOs, purportedly on behalf of purchasers of stock in the IPOs or the aftermarket. These complaints allege that defendants required customers who wanted allocations of “hot” IPO securities to pay undisclosed and excessive underwriters’ compensation in the form of increased brokerage commissions and to buy shares of securities offered in the IPOs after the IPOs were completed at escalating price levels higher than the IPO price (a practice plaintiffs refer to as “laddering”), and claim violations of the federal securities laws, including Sections 11 and 12(a)(2) of the Securities Act of 1933 (the “**Securities Act**”) and Section 10(b) of the Exchange Act. Some of the complaints also allege that continuous “buy” recommendations by the defendants’ research analysts improperly increased or sustained the prices at which the securities traded after the IPOs. In February 2003, the underwriter defendants’ joint motion to dismiss was denied, except as to certain specified offerings. In December 2006, the Second Circuit reversed the SDNY’s grant of class certification, and ruled that these cases could not be certified for class treatment. In August 2007, plaintiffs filed second consolidated amended class action complaints, which purport to amend the allegations in light of the Second Circuit’s reversal of the SDNY’s decision approving the cases to proceed as class actions. Plaintiffs again seek certification of classes.

In October 2007, numerous derivative actions, purportedly brought on behalf of certain issuers of IPO securities, were filed in the U.S. District Court for the Western District of Washington against Morgan Stanley and other underwriters of those IPOs. The actions seek to recover “short swing” profits allegedly generated in violation of Section 16(b) of the Exchange Act.

#### ***Late Trading and Market Timing.***

Starting in July 2003, Morgan Stanley received subpoenas and requests for information from various regulatory and governmental agencies, including the United States Securities and Exchange Commission (“**SEC**”), the New York Stock Exchange and various states, in connection with industry-wide investigations of broker-dealers and mutual fund complexes relating to possible late trading and market timing of mutual funds. In December 2007, Morgan Stanley settled all claims with the SEC concerning late trading and market timing of mutual funds in the retail system over the period from January 2002 to August 2003. Under the terms of the settlement, Morgan Stanley will, among other things, be censured and pay a monetary fine.

#### ***Subprime-related Matters.***

Morgan Stanley is responding to subpoenas and requests for information from certain regulatory and governmental entities concerning the origination, purchase, securitization and servicing of subprime and non-subprime residential mortgages and related issues. Morgan Stanley has also been named as a defendant in various civil litigation matters related to the subprime and non-subprime residential mortgage business, including purported class actions related to Morgan Stanley’s role as an underwriter of certain preferred stock offerings for New Century Financial Corp. and Countrywide Financial Corp. and certain offerings of mortgage pass through certificates for a subsidiary of Countrywide Financial Corp., and other related matters.

A shareholder derivative lawsuit was filed in the SDNY during November 2007 asserting claims related in large part to losses caused by certain subprime-related trading positions and related matters. The complaint in that lawsuit, which is styled *Steve Staehr, Derivatively on Behalf of Morgan Stanley v. John J. Mack, et al.*, was served on Morgan Stanley on 15 February 2008. In January and February 2008, two purported class action complaints were filed in SDNY asserting claims on behalf of participants in Morgan Stanley's 401(k) plan and employee stock ownership plan against Morgan Stanley and other parties, including certain present and former directors and officers, under the Employment Retirement Income Security Act of 1974 ("ERISA"). The complaints are similar to certain ERISA-related complaints filed in the SDNY in December 2007 insofar as they relate in large part to subprime-related losses, and allege, among other things, that Morgan Stanley stock was not a prudent investment and that the risks associated with Morgan Stanley stock and Morgan Stanley's financial condition were not adequately disclosed. On 11 February 2008, all of the pending actions asserting claims under ERISA related to Morgan Stanley's 401(k) and employee stock ownership plan were consolidated in a single proceeding in the SDNY, which is styled *In re Morgan Stanley ERISA Litigation*.

The following matters were terminated during the quarter ended November 30, 2007:

***Global Wealth Management Group Employment Matters.***

*Wage and Hour Matters.* Complaints raising allegations of unpaid overtime and unlawful wage deductions were filed against Morgan Stanley in New Jersey, New York, Connecticut, Texas, Florida, Illinois, California and Ohio seeking damages on behalf of certain current and former employees. In October 2006, Morgan Stanley reached agreement to resolve these claims on behalf of the individual claimants as well as other potential class members nationwide. In November 2006, for purposes of executing the settlement, a consolidated amended complaint captioned *Steinberg, et al. v. Morgan Stanley* was filed in the U.S. District Court for the Southern District of California ("SDC"). In December 2006, the Judicial Panel on Multi-District Litigation issued an order centralizing the various matters pending across the country in the SDC.

*Gender Matters.* In June 2006, Morgan Stanley was named in two purported class actions alleging gender discrimination under state and federal law. On October 24, 2007, the U.S. District Court for the District of Columbia granted final approval to the settlement reached in *Joanne Augst-Johnson v. Morgan Stanley*. The approved settlement resolved all of the class-wide and individual plaintiffs' claims and included, among other things, a payment to the settlement fund and certain programmatic relief. All similar class wide claims raised in the second purported gender class action captioned *Daisy Jaffe et al. v. Morgan Stanley* were subsumed by the Augst-Johnson settlement.

**Financial and other information about Morgan Stanley**

Morgan Stanley publishes audited annual financial statements in an Annual Report on Form 10-K following the end of each of its fiscal years and publishes unaudited quarterly financial statements in a quarterly report on Form 10-Q following the end of each of its fiscal quarters. Its financial year end is 30 November of each year. For so long as the Issuer may issue Notes under the Programme, copies of the annual, quarterly and current reports, proxy statements and other information concerning Morgan Stanley and its consolidated subsidiaries during usual business hours on any weekday (Saturdays and public holidays expected) for inspection by Noteholders at the principal place of business of the Arranger in Singapore.

Morgan Stanley's common stock, par value US\$0.01 per share, is listed on the New York Stock Exchange, Inc. under the symbol "MS".

Morgan Stanley files reports, proxy statements and other information with the SEC. The SEC maintains a website that contains reports, proxy statements and other information that Morgan Stanley files electronically which may include updated information on litigation and/or arbitration proceedings involving Morgan Stanley and/or its affiliates. The address of the SEC's website is <http://www.sec.gov>. The information contained on this website does not form part of this Pricing Statement. Please refer to the paragraph headed "References to websites" in the section headed "Information about the Share" in this Pricing Statement for a warning statement and a disclaimer relating to the usage of information contained in the websites referred to above.

## APPLICATION PROCEDURES

These are general terms and conditions for application of the Notes. Please check with your Distributors for specific terms, conditions and procedures for such application as certain of these terms, conditions and procedures are subject to separate agreement with the Distributors.

Where you are relying on your Distributor to hold the Notes on your behalf in CDP, please note that additional fees may be payable. Please speak to your Distributor for more details.

### General information on application procedure

Applications are invited for the subscription of the Notes at the Issue Price of SGD5,000 for each Series 15 Note, and SGD5,000 for each Series 16 Note, subject to the following terms and conditions:

1. YOUR APPLICATION MUST BE MADE IN DENOMINATIONS OF SGD5,000 FOR EACH SERIES 15 NOTE, OR SGD5,000 FOR EACH SERIES 16 NOTE, OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER DENOMINATIONS OF THE NOTES WILL BE REJECTED.

2. Your application for the Notes must be made by way of the printed "Notes Application Form" and must be accompanied by a duly completed and signed certificate of non-U.S. citizenship and residency (which can be obtained from the Distributor).

3. **You (being a person other than an approved nominee company (as defined in paragraph 6 below)) are allowed to submit application(s) in your own name for a single application for the Notes.**

**A person, other than an approved nominee company, who is submitting an application for the Notes in his own name should not submit any other applications for such Notes for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected.**

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies and applicants whose addresses (furnished in their Notes Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under a securities account with CDP in the deceased's name at the time of application.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification or, where the application is made by way of a Notes Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 7 below.

6. WE WILL ONLY ACCEPT NOMINEE APPLICATIONS FROM APPROVED NOMINEE COMPANIES. Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

7. IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A DIRECT SECURITIES ACCOUNT WITH CDP OR A SECURITIES SUB-ACCOUNT WITH A DEPOSITORY AGENT AT THE TIME OF YOUR APPLICATION. If you have an existing securities account with CDP but fail to provide your CDP securities account number or provide an incorrect CDP securities account number in section B of the Notes Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number or company registration number, nationality, permanent residence status and CDP securities account number provided in your Notes Application Form differ from those particulars in your securities account as maintained by CDP. If you are applying through more than one direct securities account with CDP, your application is liable to be rejected.

8. If your address as stated in the Notes Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation, sent by your Distributor on behalf of the Issuer, will be sent to your address last registered with CDP.

9. You may apply for the Notes using only cash. **You cannot use SRS account moneys or CPF Investible Savings to apply for the Notes.** Each application must be accompanied by a direct debit authorisation to your Distributor in respect of the number of Notes applied for in favour of your Distributor or your Distributor will require you to maintain a balance until the Issue Date or you will be required to deposit funds, which will be held on your behalf by the Distributor, into a designated account, in each case equal to the principal amount of Notes for which you have applied, which upon successful allocation, will be debited by your Distributor in an amount equal to the Notes allocated to you or you will have to comply with such other method of payment stipulated by your Distributor. Applications not accompanied by these forms of payment will not be accepted. No acknowledgement of receipt will be issued for such applications and payments.

10. The refund procedures and mechanism are ultimately dependent on your agreement with your Distributor. Generally, where your application is accepted in part only and where excess moneys have been received, the balance of the application moneys, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Business Days after the Fixing Date, provided that the moneys have been received by the Distributor in the designated account.

**11. The Prospectus and its accompanying documents (including the Notes Application Forms) has not been registered in any jurisdiction other than in Singapore. The distribution of the Prospectus and its accompanying documents (including the Notes Application Forms) and the offering or sale of the Notes may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.**

The Notes have not been and will not be registered under the Securities Act and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). The Notes are being offered outside the United States to non-US persons (including institutional and other investors in Singapore) in reliance on Regulation S. **The Issuer reserves the right to reject any application for Notes where the Issuer believes or has reason to believe that such application may violate the securities laws of the United States or any other jurisdiction or any applicable legal or regulatory requirements.**

No person in any jurisdiction outside Singapore receiving the Prospectus or its accompanying documents (including the Notes Application Forms) may treat the same as an offer or invitation to subscribe for any of the Notes.

12. The Issuer reserves the right to reject any application which does not conform strictly to the instructions set out in the Prospectus and the Notes Application Form, or with the terms and conditions of this Pricing Statement or, in the case of an application by way of a Notes Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn authorisation.

13. The Issuer reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Base Prospectus and this Pricing Statement (including Notes Application Forms), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of the Issuer, the Distributors, as agents of the Issuer, have been authorised to accept, for and on behalf of the Issuer, such other forms of application as the Distributors may, in consultation with the Issuer and the Arranger, deem appropriate.

14. The Issuer, in consultation with the Arranger, has the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and neither the Issuer nor the Arranger will entertain any enquiry and/or correspondence on its decision. In deciding the basis of allocation, the Issuer will give due consideration to the desirability of allocating the Notes to a reasonable number of applicants with a view to establishing an adequate market for the Notes.

15. No definitive Notes will be issued to successful applicants. You irrevocably authorise CDP, if required, to complete and sign on your behalf as transferee any documents required for the issue or transfer of the Notes allocated to you.

The CDP securities account of such successful applicants (whether held directly or through Depository Agents) shall be credited with the principal amount of the Notes subscribed. In this case, it is expected that CDP will send to each successful applicant at his own risk, within ten Business Days after the close of the Issue Date, a statement showing that his CDP securities account has been credited with the principal amount of Notes allocated to him. This will be the only acknowledgement of application moneys received and is not an acknowledgement by the Issuer.

16. You irrevocably authorise CDP and your Distributor (where applicable) to disclose the outcome of your application, including the number of Notes allocated to you pursuant to your application, to the Issuer, the Arranger and any other parties so authorised by CDP, the Issuer and the Arranger.

17. Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Notes by way of a Notes Application Form.

18. By completing and delivering a Notes Application Form in accordance with the provisions herein, you:

(a) irrevocably offer, agree and undertake to subscribe for the amount of Notes specified in your application (or such smaller number for which the application is accepted) at the Issue Price of SGD5,000 for each Series 15 Note, and SGD5,000 for each Series 16 Note, agree that you will accept such Notes as may be allocated to you, in each case on the terms of, and subject to the conditions set out in the Prospectus;

(b) agree that you have read through and understand the terms and conditions set out in this “Application Procedures” section;

(c) agree that the aggregate amount for the Notes applied for is due and payable to the Issuer upon application;

(d) agree that you will make payment upon successful allocation of the Notes;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Issuer and the Arranger in determining whether to accept your application and/or whether to allocate any Notes to you;

**(f) agree and warrant that you have completed and successfully discharged the know-your-client requirement imposed by your Distributor;**

(g) agree and warrant that your application will comply with and be fully consistent with all laws and regulations, credit policies, guidelines and restrictions applicable to you;

(h) agree and warrant that you have not relied on the Arranger or any of its affiliates in assessing the merits, risk and suitability of your application;

(i) agree and warrant that you have conducted your own suitability checks and procedures for your application; and

(j) agree and warrant that if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Issuer and the Arranger will infringe any such laws as a result of the acceptance of your application.

19. The Issuer and the Arranger will not hold any application in reserve.

20. The Issuer and the Arranger will not allocate any Notes on the basis of this Pricing Statement later than six months after the date of registration of this Pricing Statement.

21. Additional terms and conditions for applications by way of Notes Application Forms are set out in the section entitled “Additional Terms and Conditions for Application using Printed Application Forms” below.

#### **Additional terms and conditions for application using printed Notes Application Forms**

Applications by way of Notes Application Forms shall be made on and subject to the terms and conditions of the Prospectus, including but not limited to the terms and conditions appearing below as well as those set out under the earlier section of this “Application Procedures” section.

1. Your application for the Notes must be made using the Notes Application Form accompanying and forming part of this Pricing Statement and must be accompanied by a duly completed and signed certificate of non-U.S. citizenship and residency (which can be obtained from the Distributor). Without prejudice to the rights of the Issuer, the Distributors, as agents of the Issuer, have been authorised to accept, for and on behalf of the Issuer, such other forms of application, as the Distributors may (in consultation with the Issuer and the Arranger) deem appropriate.

We draw your attention to the detailed instructions contained in the respective Notes Application Forms and this Pricing Statement for the completion of the Notes Application Forms, which must be carefully followed. **The Issuer reserves the right to reject applications which do not conform strictly to the instructions set out in the Notes Application Forms and this Pricing Statement or to the terms and conditions of this Pricing Statement or which are illegible, incomplete, incorrectly completed or (where applicable) which are accompanied by improperly drawn authorisations.**

2. You must complete your Notes Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.

3. You must complete all fields in your Notes Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” and you must write the words “**NOT APPLICABLE**” or “**N.A.**” in any field that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Notes Application Form under the hand of an official who must state the name and capacity in which he signs the Notes Application Form. If you are a corporation completing the Notes Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. The Issuer reserves the right to require you to produce documentary proof of identification for verification purposes.

5. You (whether an individual or corporate Applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Notes is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.

6. Capitalised terms used in the Notes Application Forms and defined in the Base Prospectus and this Pricing Statement (including the Applicable Annex attached as an Appendix to the Supplementary Base Prospectus dated 8 May 2008) shall bear the meanings ascribed to them in the Base Prospectus and this Pricing Statement.

7. By completing and delivering the Notes Application Form, you agree that:

(a) in consideration of the Issuer having distributed the Notes Application Form to you and by completing and delivering the Notes Application Form before the close of the Offer Period or such other time or date as the Issuer may, in consultation with the Arranger, decide:

(i) your application is irrevocable;

(ii) your remittance will be honoured on first presentation and that any moneys returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and

(iii) you represent and agree that you are not a U.S. person (within the meaning of Regulation S);

(b) all applications, acceptances or contracts resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the exclusive jurisdiction of the Singapore courts;

(c) in respect of the Notes for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by your Distributor on behalf of the Issuer and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Issuer;

(d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in Part 1 of the Base Prospectus, the Supplementary Base Prospectuses and this Pricing Statement (inclusive of the Applicable Annex attached as an Appendix to the Supplementary Base Prospectus dated 8 May 2008 of this Pricing Statement) and that none of the Issuer and the Arranger or any other person involved in the offer of the Notes shall have any liability for any information not so contained;

(f) you consent to the disclosure by the relevant Distributor of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP securities account number and application amount to the Issuer, CDP, the Arranger and the Market Agent; and

(g) you irrevocably agree and undertake to subscribe for the number of Notes applied for as stated in the Notes Application Form or any smaller number of such Notes that may be allocated to you in respect of your application. In the event that the Issuer decides to allocate any smaller number of Notes or not to allocate any Notes to you, you agree to accept such decision as final.

#### ***Steps for applications for the Notes by way of printed Notes Application Forms***

1. Your application for the Notes by way of printed Notes Application Forms **MUST** be made using the Notes Application Forms.

2. You must:

(a) duly complete and sign the Notes Application Form, in accordance with the terms and conditions of this Pricing Statement, and submit the Notes Application Form to your Distributor; and

(b) either fill up a direct debit authorisation in favour of your Distributor in respect of the Notes subscribed for or ensure that you maintain a balance, at least until the Issue Date, equal to the Notes subscribed for in your account with your Distributor or deposit funds, which will be held on your behalf by the Distributor, into a designated account, which upon successful allocation, will be debited by your Distributor in an amount equal to the principal amount of Notes allocated to you or you will have to comply with such other method of payment stipulated by the Distributor.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn authorisation are liable to be rejected.

4. No acknowledgement of receipt will be issued for any application or remittance received.

#### **Cancellation of the issue of any Series of Notes**

In relation to each Series of Notes, the Issuer may determine on the Fixing Date in its absolute discretion after consultation with the Arranger that the Notes of that Series should not be issued. Following any such determination, the offering of such Series of Notes shall be cancelled. In such event, no Notes of such Series shall be issued and the Arranger shall so notify the Distributors as soon as practicable after the Fixing Date and any subscription monies held in an account with a Distributor shall no longer be held for the purposes of the subscription of Notes of the relevant Series and the Distributors shall return such subscription monies paid by the applicants in accordance with "Refund of application monies" below.

For the avoidance of doubt, the cancellation of the offering of one Series will not affect the offering of the other Series.

The Distributors shall notify all affected applicants as soon as practicable upon receiving a notice from the Issuer in respect of any non-issuance of either or both Series of the Notes.

## **Refund of application monies**

If any subscription monies are to be refunded in any of the circumstances described in this Pricing Statement, payment will be made by the Distributors on behalf of the Issuer to the applicants in accordance with the relevant Distributor's normal operating procedures without interest and at the risk of the applicants within 14 Business Days after the Fixing Date. Such payment will be made in the currency in which the Notes are denominated by bank transfer or by cheque, unless otherwise agreed between the relevant applicant and his Distributor.

## **Confirmations to be given by prospective investors**

By giving application instructions to any Distributor for the purchase of any Notes, prospective investors will be deemed to confirm to the Distributors, the Arranger and the Issuer that, amongst other things, they:

- **understand** that the Equity Bonus Coupon payable on the Notes will be dependent on the price performance of the Share;
- **understand** that the Notes may be redeemed early upon the occurrence of a Mandatory Redemption Event or an Event of Default and no Fixed Coupon Amounts or Equity Bonus Coupon will be payable thereafter;
- **understand** that the Notes will not be guaranteed by the Issuer or any other party and accept the risk that (i) (subject to the terms and conditions of the Notes) the Notes are principal protected only if held until the Scheduled Maturity Date, (ii) interest will only be payable in respect of the Notes in issue on the relevant Interest Payment Dates, (iii) the Notes are not principal protected if an Event of Default or Mandatory Redemption Event occurs and the redemption amounts payable to them following the occurrence of an Event of Default or a Mandatory Redemption Event (as the case may be) may be substantially less than the principal amount of their Notes, and (iv) if the net proceeds from the realisation of the Charged Assets are not sufficient to make all payments due in respect of the Notes, the obligations of the Issuer in respect of the Notes will be limited to such net proceeds of realisation and no other assets of the Issuer will be available to meet such shortfall and no debt will be owed by the Issuer in respect of such shortfall; and
- **understand** that in the event that any of the Underlying Assets in respect of a Series of Notes are redeemed, in whole or in part, at or above their outstanding principal amount including any accrued interest in accordance with their terms for any reason whatsoever by the issuer of such Underlying Assets prior to the Scheduled Maturity Date, the proceeds of redemption or repayment will be paid into the account of the Issuer with the Custodian and that such account may or may not be interest bearing.

By giving application instructions to any Distributor for the subscription of any Notes, prospective investors will also be deemed to have made the confirmations to the Distributor, the Arranger and the Issuer as set out under the paragraph headed "Confirmations to be given by investors" in the section headed "The Distributors and Investors Confirmations" in Part 1 of the Base Prospectus.

**Prospective investors will be required to confirm that they have read and understood these confirmations and the confirmations contained in the Base Prospectus at the time of applying to a Distributor for the Notes. If prospective investors do not understand the meaning or the reasons why they are being asked to give these confirmations and those confirmations contained in the Base Prospectus, they should seek assistance from their Distributor(s).**

## **ADDITIONAL INFORMATION ABOUT THE OFFERING**

### **Authorisations**

The issue of the Notes was authorised and approved by resolutions of the Board of Directors of the Issuer passed on 17 June 2008.

### **Use of proceeds**

The Issuer is issuing the Notes in the course of its ordinary business with the intention of providing prospective investors with the opportunity to invest in a structured financial product that provides investors with an exposure to the Shares and the Underlying Assets. Morgan Stanley does not consider this transaction to amount to a fund-raising exercise for Morgan Stanley or its subsidiaries. The entire proceeds of issue of the Notes will be used to invest in the Underlying Assets.

### **Payments**

Interest payments and redemption payments of the Notes will be made in SGD in respect of the Notes. Each investor who has been allocated the Notes must make arrangements to receive payments in respect of the Notes by credit to a SGD account. Definitive Notes, or certificates representing the Notes, will not be issued to individual investors (except in very limited circumstances). The total principal amount of the Notes of each Series will initially be represented by interests in a Global Note, which will be registered in the name of CDP. Accordingly, investors who have been allocated the Notes and who do not have an account at such clearing system must make arrangements for their Notes to be held in custody with an accountholder (or an indirect accountholder) of CDP (which initially must be one of the Distributors).

### **Taxation**

Prospective investors are advised to read the section headed “Taxation” in Part 1 of the Base Prospectus which contains a summary of certain taxation provisions under Cayman Islands and Jersey law and the section headed “Singapore Taxation” in the Supplementary Base Prospectus dated 8 May 2008. Prospective investors are also advised that no Singapore stamp duty will be payable on the issue or subsequent transfer of any of the Notes.

The provisions in the section headed “Taxation” in Part 1 of the Base Prospectus are accurate as at the date of this Pricing Statement.

### **No material adverse change — Issuer**

There has been no material change in the financial position or operations of the Issuer and no material adverse change in the prospects of the Issuer, in each case since its date of incorporation on 30 November 2005. The Notes described in this Pricing Statement are being issued as Series 15 and Series 16 under the Programme. As at the date of this Pricing Statement, the Issuer does not have any hire purchase commitments, guarantees or other material contingent liabilities, bank overdrafts or other similar indebtedness.

### **Display documents**

For so long as any Notes remain outstanding and with effect from the dates set out in the following paragraph, the following documents as well as the documents listed in the section headed “General Information” in Part 1 of the Base Prospectus will be available during usual business hours on any day (Saturdays, Sundays and public holidays in Singapore excepted), for inspection (requests for photocopies will be subject to a reasonable fee which reflects the cost of making a copy) at the offices of the Arranger specified on page iii of this Pricing Statement:

- (i) information relating to the Underlying Assets including the rating(s) (if any), the terms and conditions, the information memorandum or memoranda or other offering document(s) relating to the Underlying Assets (if such documents have been prepared) and regarding where investors could obtain information relating to the performance of the issuer(s) of such Underlying Assets on an on-going basis together with any further information which is available to, and may be disclosed by, the Arranger; and

(ii) a copy of any notice given by the Issuer or the Arranger in respect of the Notes pursuant to the Programme or as otherwise provided for in this Pricing Statement.

The documents listed in (i) and (ii) above will be available for inspection as aforesaid with effect from the Issue Date. None of the documents listed above form part of the Prospectus.

**APPENDIX A**  
**FORM OF PRICING SUPPLEMENT FOR SERIES 15**

**Dated 5 August 2008**

**PINNACLE PERFORMANCE LIMITED**

SGD Coupon Plus Equity-Linked Notes due 2011 (the “Notes”)

relating to the issue of

Series 15

pursuant to its U.S.\$5,000,000,000 Structured Note Programme

arranged by

**MORGAN STANLEY ASIA (SINGAPORE) PTE.**  
**(formerly known as Morgan Stanley Dean Witter Asia (Singapore) Pte.)**

The Notes shall have the terms and conditions set out as the Equity Master Conditions in the Appendix to the Supplementary Base Prospectus dated 8 May 2008 (the “**Applicable Annex**”), as completed, modified and supplemented by this document. This document constitutes the Pricing Supplement as referred to in the Equity Master Conditions.

The terms of the Notes are as follows:

- |  |  |
|--|--|
| 1. Issuer:   | Pinnacle Performance Limited   |
| 2. Arranger:   | Morgan Stanley Asia (Singapore) Pte.   |
| 3. (i) Series No:  | 15   |
| (ii) Tranche:  | Not Applicable   |
| <b>Terms of Series</b>   |  |
| 4. Note Type:  | Equity-Linked Note Type  |
| 5. Relevant Currency:  | Singapore dollars (“S\$” or “SGD”)   |
| 6. Principal Amount:   | S\$[•]   |
| 7. Form of the Notes:  | Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note. The Permanent Global Note will be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| 8. Status:   | Secured and limited recourse obligations of the Issuer, secured as provided below  |
| 9. Denominations:  | S\$5,000 per Note. Condition 18 shall not apply  |
| 10. Issue Date:  | 5 August 2008  |
| 11. Issue Price:   | 100 per cent. of the Principal Amount  |
| 12. Scheduled Maturity Date:   | The date falling 5 Business Days after the Valuation Date and which is expected to be 7 February 2011.   |
| <b>Equity Terms</b>  |  |
| 13. Single Share Notes, Share Basket Notes Provisions:   | Applicable   |
| (i) Whether the Notes relate to a single share or a basket of shares (each a “Share”) and the name of the relevant company and class of the Shares (each a “Company”): | Single Share Notes, Ordinary share of Singapore Telecommunications Limited (Bloomberg Code: ST SP)   |
| (ii) Valuation Date:   | 27 January 2011  |

(iii) Determination Time:	As set out in the Equity Master Conditions
(iv) Averaging Dates:	Not Applicable
(v) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) Cash or Physical Settlement at the option of the Determination Agent, acting for and on behalf of the Issuer:	Cash Settlement
(vi) Exchange:	Singapore Exchange Securities Trading Limited
(vii) Related Exchange:	All Exchanges
(viii) Weighting for each Share comprising the Basket:	Not Applicable
(ix) Delivery provisions for Shares (including details of who is to make such delivery):	Not Applicable
(x) Additional Disruption Events:	Change in Law, Insolvency Filing, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and Loss of Stock Borrow shall apply
(xi) Fixing Date:	22 July 2008
(xii) Other terms or special conditions:	Not Applicable
14. Index/Index Basket Notes Provisions:	Not Applicable
15. Base Currency:	S\$

**Redemption provisions**

16. Redemption Amount:	In respect of each Note, 100% of its Denomination
17. Instalment Date(s) (if applicable):	Not Applicable
18. Instalment Amount(s) (if applicable):	Not Applicable
19. Tax redemption:	Condition 7(c) (i) (C) shall apply
20. Purchase option:	Condition 7(d) shall not apply
21. Additional Underlying Disposal Event (if applicable):	Not Applicable
22. Issuer Call Option:	Not Applicable

**Interest**

23. Interest Commencement Date (if different from Issue Date):	Issue Date
24. Interest Basis:	Fixed Rate Notes
25. Interest Payment Date(s):	Payable on 5 November 2008, 5 February 2009, 5 May 2009, 5 August 2009, 5 November 2009, 5 February 2010, 5 May 2010 and 5 August 2010.

In addition to the periodic interest payable on the Notes, an Equity Bonus Coupon may also be payable on the Scheduled Maturity Date. For the avoidance of doubt, no further periodic interest will be payable on the Notes after 5 August 2010. Subsequently, the final coupon (if any) payable on the Notes will be the Equity Bonus Coupon.

“**Equity Bonus Coupon**” means (a) where the Determination Agent determines the Settlement Price on the Valuation Date to be greater than or equal to the Initial Price, an amount per Note equal to 1.75% of its Denomination, and (b) where the Determination Agent determines the Settlement Price on the Valuation Date to be less than the Initial Price, Zero.

“**Initial Price**” means S\$[•], such amount to be determined by the Determination Agent as the price of the Share at the Determination Time on 22 July 2008 on the Exchange.

26. Fixed Rate Note Provisions:	Applicable
(a) Interest Rate:	3.50% per annum
(b) Fixed Coupon Amount:	S\$43.75 per Note payable on each Interest Payment Date
27. Floating Rate Note Provisions:	Not Applicable
28. Zero Coupon Note Provisions:	Not Applicable
29. Index Note Provisions:	Not Applicable
<b>Other</b>	
30. Unmatured Coupons to become void upon early redemption:	Not Applicable
31. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not Applicable
32. Dual Currency Note Provisions:	Not Applicable
33. Business Day Jurisdictions for Condition 9(g) (jurisdictions required to be open for payment):	Singapore, Hong Kong, New York and London
34. Details of any other additions or variations to the Conditions:	See Annex 1 (Special Conditions) of this Pricing Supplement
35. Charged Assets:	
(a) Original Underlying Assets:	USD [●] USD floating rate notes due 2011 issued by Morgan Stanley B.V. under its Program for the Issuance of Notes and unconditionally and irrevocably guaranteed by Morgan Stanley (ISIN: [●])
(b) The criteria applicable to Eligible Investments:	Not Applicable
(c) Security (order of priorities):	The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the Security constituted by or pursuant to the Trust Deed in accordance with the following:
(a)	First, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by CDP in carrying out its duties as the Clearing System for the Notes, or the Trustee or any receiver in preparing and executing the trusts under the notes and the Trust Deed (including any taxes required to be paid, the costs of realising or enforcing any security and the Trustee's remuneration);
(b)	Secondly, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Principal Paying Agent, the Custodian and the Administrator other than those set out in (d) below;
(c)	Thirdly, rateably in meeting the claims (if any) of the Swap Counterparty under the Swap Agreement (which for this purpose shall include any claim of the Custodian for reimbursement in respect of payments made to the Swap Counterparty under the Swap Agreement and relating to sums receivable on the Underlying Assets);
(d)	Fourthly, rateably in meeting the claims (if

any) of the holders of the Notes and the Coupons (as defined in the Equity Master Conditions) (which for this purpose will include any claim of the Custodian and the Principal Paying Agent for reimbursement in respect of payment of principal and interest made to holders of the Notes and/or the Coupons); and

- (e) Fifthly, in payment of the balance (if any) to the Issuer.

In accordance with the Supplemental Trust Deed, the Security for the Notes shall comprise all of the following:

- (i) a first fixed charge in favour of the Trustee over the Underlying Assets and all of the Issuer's rights attaching to or relating to the Underlying Assets and all sums derived therefrom;
- (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest against the Custodian, to the extent they relate to the Underlying Assets;
- (iii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each of the Swap Agreement and the Swap Guarantee and any sums received thereunder;
- (iv) a first fixed charge in favour of the Trustee over (a) all sums received under the Swap Agreement and the Swap Guarantee; and (b) any sums held by the Principal Paying Agent and/or the Custodian to meet payments due in respect of the Notes; and
- (v) an assignment by way of first fixed charge in favour of the Trustee of the Issuer's rights, title and interest under the Agency Agreement in respect of the Notes and the Underlying Assets, including all sums derived therefrom in respect of the Notes and all rights against the Custodian with respect to the Underlying Assets, including without limitation all rights to the delivery of such Underlying Assets against the Custodian under the Agency Agreement or any applicable clearing system or the operator thereof or against any bank, broker or other intermediary and including all sums and other rights derived from such Underlying Assets.

The claims of the Trustee, the Custodian, the Principal Paying Agent and the Swap Counterparty against the Issuer shall rank prior to the claims of the Noteholders under the Notes in the application of all moneys received in connection with the realisation or enforcement of the Security. In

realising the Charged Assets, the Trustee is obliged to act in accordance with the directions of the Instructing Creditor as described in Condition 3 (c).

Swap Counterparty

(d) Instructing Creditor:

(e) Related Agreements:

(i) Swap Agreement (including the Equity Swap Transaction and Cross Currency and Rate Swap Transaction) and the Swap Guarantee:

In connection with the issue of the Notes, the Issuer has entered into, amongst other things, an ISDA Master Agreement (the “**Swap Master Agreement**”) dated as of [•] between the Issuer and the Swap Counterparty which Swap Master Agreement benefits from a guarantee (the “**Swap Guarantee**”) of the Swap Guarantor dated [•]. In respect of this Series the Issuer has executed certain confirmations thereto which incorporate the terms of the Swap Master Agreement. The confirmations to the Swap Master Agreement comprise an equity swap transaction (the “**Equity Swap Transaction**”) and a cross currency and rate swap transaction (the “**Cross Currency and Rate Swap Transaction**”), each dated the Issue Date. The Swap Master Agreement together with the confirmations thereto which relate to the Notes are together referred to herein as the “**Swap Agreement**”.

The Swap Agreement may be terminated early, among other circumstances:

- (a) at the election of the non-defaulting party upon an “Event of Default” under the Swap Agreement, including:
  - (i) the failure of the other party to pay any amount due and payable under the Swap Agreement, and such failure continues for one Business Day (as defined in the Swap Agreement);
  - (ii) non-compliance by the Swap Guarantor with any of its obligations under the Swap Guarantee, or the ceasing of the Swap Guarantee to be in full force and effect; and
  - (iii) the merger of the Swap Counterparty or the Swap Guarantor, as the case may be, with another entity and such entity fails to assume all of the relevant party’s obligations under the Swap Agreement or the Swap Guarantee, as the case may be; and
- (b) on the occurrence of certain “Termination Events” under the Swap Agreement, including:
  - (i) it becoming illegal for either party to perform its obligations under the Swap Agreement, or for the Swap Guarantor to perform its obligations under the Swap Guarantee;
  - (ii) if (subject as provided in the Swap

Agreement) withholding taxes are imposed on payments made by the Issuer, the Swap Counterparty under the Swap Agreement, which is not avoided by a transfer by the Affected Party (as defined in the Swap Agreement) of its rights and obligations on terms provided in the Swap Agreement; and

- (iii) when the Notes become repayable in whole prior to the Scheduled Maturity Date.

Consequences of Early Termination:

Upon any such early termination of the Swap Agreement (in whole or in part), and such agreement is not replaced on or prior to such termination, the Notes will become repayable and the Issuer or the Swap Counterparty (as the case may be) may (subject as set out below and provided, in the case of certain tax events, that the Issuer may first be obliged to use all reasonable endeavours to transfer its obligations) be liable to make a termination payment to the other in respect of the Swap Agreement (regardless, if applicable, of which of such parties may have caused such termination).

Where such a termination payment is payable, it will be based on the total losses and costs and/or gains incurred in the termination of the Swap Agreement, and the termination payment would typically (but not necessarily) take into account the market value of the terminated Swap Agreement, based on market quotations of the cost of entering into a transaction with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties under the Swap Agreement.

**Regardless of which party makes the determination of the termination payment (if any), there is no assurance that the proceeds from the sale of the Underlying Assets plus or minus, as the case may be, the amount payable by the Swap Counterparty or the Issuer, as the case may be, due to the termination of the Swap Agreement, will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that are due.**

- (ii) Exercise of Morgan Stanley Exchange Option: Following an exercise of the Morgan Stanley Exchange Option by Morgan Stanley & Co. International plc in respect of any Notes, a *pro rata* amount of the Swap Agreement corresponding to that proportion of the Notes to be exchanged will be terminated without any termination payment due from either party to the other thereunder.
- (f) Parties to Related Agreements (other than the Issuer): Morgan Stanley Asia Securities Products LLC (as the “**Swap Counterparty**”) in respect of the Swap Agreement.

(g) Specify any other Charged Assets:	Not Applicable
36. Exchange: Global Note/Global Certificate exchangeable for Definitive Bearer/Registered Notes:	Yes, but only in the limited circumstances set out in the Global Note.
37. Details of any additions or variations to the Programme Agreement:	None
38. Listing:	None
39. Clearing System(s):	The Central Depository (Pte) Limited (with a link to Euroclear and Clearstream)
40. Depository:	The Central Depository (Pte) Limited
41. Common Code:	[•]
42. ISIN Code:	[•]
43. Custodian:	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong Fax: +852 2801 5586 Attention: Corporate Trust and Loan Agency
44. Registrar:	Not Applicable
45. Principal Paying Agent and Calculation Agent:	The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320 Fax: +65 6532 4977/+65 6225 3770 Attention: Head of Corporate Trust and Loan Agency
46. Determination Agent/Settlement Agent/Market Agent:	Morgan Stanley & Co. International plc 25 Cabot Square Canary Wharf London E14 4QA United Kingdom Fax: +44 (0) 207 056 6435 Attention: London Transaction Management With copies to: Morgan Stanley & Co. International plc c/o Morgan Stanley Asia Limited 30/F, Three Exchange Square, Central Hong Kong Fax: +852 3407 9849 Attention: Asia Transaction Management

### Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed by a director of the Issuer:

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ANNEX 1**  
**SPECIAL CONDITIONS**

*The Master Conditions for Equity-Linked Note Type set out in the Applicable Annex of the Supplementary Base Prospectus (the “**Conditions**”) shall be supplemented and modified by the following Special Conditions. In the event of any inconsistency between the Conditions and such Special Conditions, such Special Conditions shall prevail and the Conditions shall be amended accordingly.*

**(A) Equity Bonus Coupon Calculations**

Condition 6(k) shall be amended by inserting the following paragraph at the end thereof “No later than two Business Days after the Determination Time on the Valuation Date, the Determination Agent will determine the Settlement Price and calculate the Equity Bonus Coupon payable, and cause the Settlement Price and the Equity Bonus Coupon to be notified to the Principal Paying Agent, the Trustee, the Issuer and the Calculation Agent. The determination of the Settlement Price and the Equity Bonus Coupon by the Determination Agent shall (in the absence of manifest error) be final and binding upon all parties.”

**(B) Events of Default**

Condition 11(a) (excluding sub-paragraphs (i) to (vii)) shall be deleted and replaced with:

“(a) Subject to Condition 11(b), the Trustee at its discretion may, and, if so requested by the Instructing Creditor of a Series of Notes, shall (in each case, provided that the Trustee is secured, indemnified, or both to its satisfaction), give notice (an “**Enforcement Notice**”) to the Issuer that the Notes of such Series are, and they shall accordingly immediately become, due and repayable, at their Early Redemption Amount together with accrued interest to the date of payment (or, in the case of Zero Coupon Notes (unless the Conditions of such Notes provide otherwise) at their Amortised Face Amount) or as otherwise specified in the Applicable Pricing Supplement and the Security constituted by the Security Documents in respect of the relevant Series of Notes shall become enforceable (as provided in the relevant Trust Deed) upon the occurrence of any of the following events (each an “**Event of Default**”):”

**APPENDIX B**  
**FORM OF PRICING SUPPLEMENT FOR SERIES 16**

**Dated 5 August 2008**

**PINNACLE PERFORMANCE LIMITED**

SGD Coupon Plus Equity-Linked Notes due 2011 (the “Notes”)

relating to the issue of

Series 16

pursuant to its USD\$5,000,000,000 Structured Note Programme

arranged by

**MORGAN STANLEY ASIA (SINGAPORE) PTE.**  
**(formerly known as Morgan Stanley Dean Witter Asia (Singapore) Pte.)**

The Notes shall have the terms and conditions set out as the Equity Master Conditions in the Appendix to the Supplementary Base Prospectus dated 8 May 2008 (the “**Applicable Annex**”), as completed, modified and supplemented by this document. This document constitutes the Pricing Supplement as referred to in the Equity Master Conditions.

The terms of the Notes are as follows:

- |  |  |
|--|--|
| 1. Issuer:   | Pinnacle Performance Limited   |
| 2. Arranger:   | Morgan Stanley Asia (Singapore) Pte.   |
| 3. (i) Series No:  | 16   |
| (ii) Tranche:  | Not Applicable   |
| <b>Terms of Series</b>   |  |
| 4. Note Type:  | Equity-Linked Note Type  |
| 5. Relevant Currency:  | Singapore dollars (“S\$” or “SGD”)   |
| 6. Principal Amount:   | S\$[•]   |
| 7. Form of the Notes:  | Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note. The Permanent Global Note will be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| 8. Status:   | Secured and limited recourse obligations of the Issuer, secured as provided below  |
| 9. Denominations:  | S\$5,000 per Note. Condition 18 shall not apply  |
| 10. Issue Date:  | 5 August 2008  |
| 11. Issue Price:   | 100 per cent. of the Principal Amount  |
| 12. Scheduled Maturity Date:   | The date falling 5 Business Days after the Valuation Date and which is expected to be 5 December 2011.   |
| <b>Equity Terms</b>  |  |
| 13. Single Share Notes, Share Basket Notes Provisions:   | Applicable   |
| (i) Whether the Notes relate to a single share or a basket of shares (each a “Share”) and the name of the relevant company and class of the Shares (each a “Company”): | Single Share Notes, Ordinary shares of Singapore Telecommunications Limited (Bloomberg Code: ST SP)  |
| (ii) Valuation Date:   | 28 November 2011   |

- |  |  |
|--|--|
| (iii) Determination Time:  | As set out in the Equity Master Conditions   |
| (iv) Averaging Dates:  | Not Applicable   |
| (v) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) Cash or Physical Settlement at the option of the Determination Agent, acting for and on behalf of the Issuer: | Cash Settlement  |
| (vi) Exchange:   | Singapore Exchange Securities Trading Limited  |
| (vii) Related Exchange:  | All Exchanges  |
| (viii) Weighting for each Share comprising the Basket:   | Not Applicable   |
| (ix) Delivery provisions for Shares (including details of who is to make such delivery):   | Not Applicable   |
| (x) Additional Disruption Events:  | Change in Law, Insolvency Filing, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and Loss of Stock Borrow shall apply |
| (xi) Fixing Date:  | 22 July 2008   |
| (xii) Other terms or special conditions:   | Not Applicable   |
| 14. Index/Index Basket Notes Provisions:   | Not Applicable   |
| 15. Base Currency:   | S\$  |

**Redemption provisions**

- |   |   |
|---|---|
| 16. Redemption Amount:                                    | In respect of each Note, 100% of its Denomination |
| 17. Instalment Date(s) (if applicable):                   | Not Applicable                                    |
| 18. Instalment Amount(s) (if applicable):                 | Not Applicable                                    |
| 19. Tax redemption:                                       | Condition 7(c) (i) (C) shall apply                |
| 20. Purchase option:                                      | Condition 7(d) shall not apply                    |
| 21. Additional Underlying Disposal Event (if applicable): | Not Applicable                                    |
| 22. Issuer Call Option:                                   | Not Applicable                                    |

**Interest**

- |  |   |
|--|---|
| 23. Interest Commencement Date (if different from Issue Date): | Issue Date  |
| 24. Interest Basis:  | Fixed Rate Notes  |
| 25. Interest Payment Date(s):                                  | Payable on 5 November 2008, 5 February 2009, 5 May 2009, 5 August 2009, 5 November 2009, 5 February 2010, 5 May 2010, 5 August 2010, 5 November 2010, 7 February 2011 and 5 May 2011. |

In addition to the periodic interest payable on the Notes, an Equity Bonus Coupon may also be payable on the Scheduled Maturity Date. For the avoidance of doubt, no further periodic interest will be payable on the Notes after 5 May 2011. Subsequently, the final coupon (if any) payable on the Notes will be the Equity Bonus Coupon.

“**Equity Bonus Coupon**” means (a) where the Determination Agent determines the Settlement Price on the Valuation Date to be greater than or equal to the Initial Price, an amount per Note equal to 1.85% of its Denomination, and (b) where the Determination Agent determines the Settlement Price on the Valuation Date to be less than the Initial Price, Zero.

“**Initial Price**” means S\$[•], such amount to be determined by the Determination Agent as the price of the Share at the Determination Time on 22 July 2008 on the Exchange.

26. Fixed Rate Note Provisions:	Applicable
(a) Interest Rate:	3.70% per annum
(b) Fixed Coupon Amount:	S\$46.25 per Note Payable on each Interest Payment Date
27. Floating Rate Note Provisions:	Not Applicable
28. Zero Coupon Note Provisions:	Not Applicable
29. Index Note Provisions:	Not Applicable
<b>Other</b>	
30. Unmatured Coupons to become void upon early redemption:	Not Applicable
31. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not Applicable
32. Dual Currency Note Provisions:	Not Applicable
33. Business Day Jurisdictions for Condition 9(g) (jurisdictions required to be open for payment):	Singapore, Hong Kong, New York and London
34. Details of any other additions or variations to the Conditions:	See Annex 1 (Special Conditions) of this Pricing Supplement
35. Charged Assets:	
(a) Original Underlying Assets:	USD [●] USD floating rate notes due 2011 issued by Morgan Stanley B.V. under its Program for the Issuance of Notes and unconditionally and irrevocably guaranteed by Morgan Stanley (ISIN: [●])
(b) The criteria applicable to Eligible Investments:	Not Applicable
(c) Security (order of priorities):	The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the Security constituted by or pursuant to the Trust Deed in accordance with the following: <ul style="list-style-type: none"> <li>(a) First, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by CDP in carrying out its duties as the Clearing System for the Notes, or the Trustee or any receiver in preparing and executing the trusts under the notes and the Trust Deed (including any taxes required to be paid, the costs of realising or enforcing any security and the Trustee's remuneration);</li> <li>(b) Secondly, rateably in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Principal Paying Agent, the Custodian and the Administrator other than those set out in (d) below;</li> <li>(c) Thirdly, rateably in meeting the claims (if any) of the Swap Counterparty under the Swap Agreement (which for this purpose shall include any claim of the Custodian for reimbursement in respect of payments made to the Swap Counterparty under the Swap Agreement and relating to sums receivable on the Underlying Assets);</li> <li>(d) Fourthly, rateably in meeting the claims (if</li> </ul>

any) of the holders of the Notes and the Coupons (as defined in the Equity Master Conditions) (which for this purpose will include any claim of the Custodian and the Principal Paying Agent for reimbursement in respect of payment of principal and interest made to holders of the Notes and/or the Coupons); and

- (e) Fifthly, in payment of the balance (if any) to the Issuer.

In accordance with the Supplemental Trust Deed, the Security for the Notes shall comprise all of the following:

- (i) a first fixed charge in favour of the Trustee over the Underlying Assets and all of the Issuer's rights attaching to or relating to the Underlying Assets and all sums derived therefrom;
- (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest against the Custodian, to the extent they relate to the Underlying Assets;
- (iii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each of the Swap Agreement and the Swap Guarantee and any sums received thereunder;
- (iv) a first fixed charge in favour of the Trustee over (a) all sums received under the Swap Agreement and the Swap Guarantee; and (b) any sums held by the Principal Paying Agent and/or the Custodian to meet payments due in respect of the Notes; and
- (v) an assignment by way of first fixed charge in favour of the Trustee of the Issuer's rights, title and interest under the Agency Agreement in respect of the Notes and the Underlying Assets, including all sums derived therefrom in respect of the Notes and all rights against the Custodian with respect to the Underlying Assets, including without limitation all rights to the delivery of such Underlying Assets against the Custodian under the Agency Agreement or any applicable clearing system or the operator thereof or against any bank, broker or other intermediary and including all sums and other rights derived from such Underlying Assets.

The claims of the Trustee, the Custodian, the Principal Paying Agent and the Swap Counterparty against the Issuer shall rank prior to the claims of the Noteholders under the Notes in the application of all moneys received in connection with the realisation or enforcement of the Security. In

realising the Charged Assets, the Trustee is obliged to act in accordance with the directions of the Instructing Creditor as described in Condition 3 (c).

Swap Counterparty

(d) Instructing Creditor:

(e) Related Agreements:

(i) Swap Agreement (including the Equity Swap Transaction and the Cross Currency and Rate Swap Transaction) and the Swap Guarantee:

In connection with the issue of the Notes, the Issuer has entered into, amongst other things, an ISDA Master Agreement (the “**Swap Master Agreement**”) dated as of [•] between the Issuer and the Swap Counterparty which Swap Master Agreement benefits from a guarantee (the “**Swap Guarantee**”) of the Swap Guarantor dated [•]. In respect of this Series the Issuer has executed certain confirmations thereto which incorporate the terms of the Swap Master Agreement. The confirmations to the Swap Master Agreement comprise an equity swap transaction (the “**Equity Swap Transaction**”) and a cross currency and rate swap transaction (the “**Cross Currency and Rate Swap Transaction**”), each dated the Issue Date. The Swap Master Agreement together with the confirmations thereto which relate to the Notes are together referred to herein as the “**Swap Agreement**”.

The Swap Agreement may be terminated early, among other circumstances:

- (a) at the election of the non-defaulting party upon an “Event of Default” under the Swap Agreement, including:
  - (i) the failure of the other party to pay any amount due and payable under the Swap Agreement, and such failure continues for one Business Day (as defined in the Swap Agreement);
  - (ii) non-compliance by the Swap Guarantor with any of its obligations under the Swap Guarantee, or the ceasing of the Swap Guarantee to be in full force and effect; and
  - (iii) the merger of the Swap Counterparty or the Swap Guarantor, as the case may be, with another entity and such entity fails to assume all of the relevant party’s obligations under the Swap Agreement or the Swap Guarantee, as the case may be; and
- (b) on the occurrence of certain “Termination Events” under the Swap Agreement, including:
  - (i) it becoming illegal for either party to perform its obligations under the Swap Agreement, or for the Swap Guarantor to perform its obligations under the Swap Guarantee;
  - (ii) if (subject as provided in the Swap

Agreement) withholding taxes are imposed on payments made by the Issuer, the Swap Counterparty under the Swap Agreement, which is not avoided by a transfer by the Affected Party (as defined in the Swap Agreement) of its rights and obligations on terms provided in the Swap Agreement; and

- (iii) when the Notes become repayable in whole prior to the Scheduled Maturity Date.

Consequences of Early Termination:

Upon any such early termination of the Swap Agreement (in whole or in part), and such agreement is not replaced on or prior to such termination, the Notes will become repayable and the Issuer or the Swap Counterparty (as the case may be) may (subject as set out below and provided, in the case of certain tax events, that the Issuer may first be obliged to use all reasonable endeavours to transfer its obligations) be liable to make a termination payment to the other in respect of the Swap Agreement (regardless, if applicable, of which of such parties may have caused such termination).

Where such a termination payment is payable, it will be based on the total losses and costs and/or gains incurred in the termination of the Swap Agreement, and the termination payment would typically (but not necessarily) take into account the market value of the terminated Swap Agreement, based on market quotations of the cost of entering into a transaction with terms and conditions that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties under the Swap Agreement.

**Regardless of which party makes the determination of the termination payment (if any), there is no assurance that the proceeds from the sale of the Underlying Assets plus or minus, as the case may be, the amount payable by the Swap Counterparty or the Issuer, as the case may be, due to the termination of the Swap Agreement, will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that are due.**

- (ii) Exercise of Morgan Stanley Exchange Option:

Following an exercise of the Morgan Stanley Exchange Option by Morgan Stanley & Co. International plc in respect of any Notes, a *pro rata* amount of the Swap Agreement corresponding to that proportion of the Notes to be exchanged will be terminated without any termination payment due from either party to the other thereunder.

- (f) Parties to Related Agreements (other than the Issuer):

Morgan Stanley Asia Securities Products LLC (as the “**Swap Counterparty**”) in respect of the Swap Agreement.

(g) Specify any other Charged Assets:	Not Applicable
36. Exchange: Global Note/Global Certificate exchangeable for Definitive Bearer/Registered Notes:	Yes, but only in the limited circumstances set out in the Global Note.
37. Details of any additions or variations to the Programme Agreement:	None
38. Listing:	None
39. Clearing System(s):	The Central Depository (Pte) Limited (with a link to Euroclear and Clearstream)
40. Depository:	The Central Depository (Pte) Limited
41. Common Code:	[•]
42. ISIN Code:	[•]
43. Custodian:	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong Fax: +852 2801 5586 Attention: Corporate Trust and Loan Agency
44. Registrar:	Not Applicable
45. Principal Paying Agent and Calculation Agent:	The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320 Fax: +65 6532 4977/+65 6225 3770 Attention: Head of Corporate Trust and Loan Agency
46. Determination Agent/Settlement Agent/Market Agent:	Morgan Stanley & Co. International plc 25 Cabot Square Canary Wharf London E14 4QA United Kingdom Fax: +44 (0) 207 056 6435 Attention: London Transaction Management With copies to: Morgan Stanley & Co. International plc c/o Morgan Stanley Asia Limited 30/F, Three Exchange Square, Central Hong Kong Fax: +852 3407 9849 Attention: Asia Transaction Management

**Responsibility**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed by a director of the Issuer:

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ANNEX 1**  
**SPECIAL CONDITIONS**

*The Master Conditions for Equity-Linked Note Type set out in the Applicable Annex of the Supplementary Base Prospectus (the “**Conditions**”) shall be supplemented and modified by the following Special Conditions. In the event of any inconsistency between the Conditions and such Special Conditions, such Special Conditions shall prevail and the Conditions shall be amended accordingly.*

**(A) Equity Bonus Coupon Calculations**

Condition 6(k) shall be amended by inserting the following paragraph at the end thereof “No later than two Business Days after the Determination Time on the Valuation Date, the Determination Agent will determine the Settlement Price and calculate the Equity Bonus Coupon payable, and cause the Settlement Price and the Equity Bonus Coupon to be notified to the Principal Paying Agent, the Trustee, the Issuer and the Calculation Agent. The determination of the Settlement Price and the Equity Bonus Coupon by the Determination Agent shall (in the absence of manifest error) be final and binding upon all parties.”

**(B) Events of Default**

Condition 11(a) (excluding sub-paragraphs (i) to (vii)) shall be deleted and replaced with:

“(a) Subject to Condition 11(b), the Trustee at its discretion may, and, if so requested by the Instructing Creditor of a Series of Notes, shall (in each case, provided that the Trustee is secured, indemnified, or both to its satisfaction), give notice (an “**Enforcement Notice**”) to the Issuer that the Notes of such Series are, and they shall accordingly immediately become, due and repayable, at their Early Redemption Amount together with accrued interest to the date of payment (or, in the case of Zero Coupon Notes (unless the Conditions of such Notes provide otherwise) at their Amortised Face Amount) or as otherwise specified in the Applicable Pricing Supplement and the Security constituted by the Security Documents in respect of the relevant Series of Notes shall become enforceable (as provided in the relevant Trust Deed) upon the occurrence of any of the following events (each an “**Event of Default**”):”

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**ISSUER**

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**ARRANGER AND SPONSOR**

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Capital Square  
Singapore 049481

**TRUSTEE**

**HSBC Institutional Trust  
Services (Singapore) Limited**  
21 Collyer Quay  
# 14-01  
HSBC Building  
Singapore 049320

**CUSTODIAN**

**The Hongkong and Shanghai  
Banking Corporation Limited**  
1 Queen's Road Central  
Hong Kong

**PRINCIPAL PAYING**

**AGENT AND  
CALCULATION AGENT**  
**The Hongkong and Shanghai  
Banking Corporation Limited**  
21 Collyer Quay  
# 14-01  
HSBC Building  
Singapore 049320

**DETERMINATION AGENT**

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United Kingdom

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