

PINNACLE PERFORMANCE LIMITED

To:

Hong Leong Finance Limited

RHB Bank Berhad

UOB Kay Hian Pte Ltd

DBS Vickers Securities (Singapore) Pte Ltd

Pinnacle Notes Series 2

**USD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7J65932211)
("Tranche A Notes")**

**SGD Fixed Rate First-to-Default Credit-Linked Notes due 2012 (ISIN: SG7J66932228)
("Tranche B Notes")**

(each a "Tranche" and the notes of any or all Tranches, the "Notes") issued by Pinnacle Performance Limited pursuant to its U.S.\$5,000,000,000 Structured Note Programme (the "Programme")

We are writing to you because of recent market events. Although we are under no obligation to provide information in respect of the Notes or the Original Underlying Assets beyond that specified in the Prospectus, in the present exceptional circumstances we believe it may be helpful to write to all Distributors to provide certain information relating to the Notes and the Original Underlying Assets.

The Pricing Statement made clear in the section headed "Information About the Original Underlying Assets" at pages 13 to 14 that the Underlying Assets would, subject to certain criteria, consist of Synthetic CDO Securities. The marketing materials contained in the Pricing Statement also make reference to Synthetic CDOs at pages iii and v. Risk factors relating to Synthetic CDO Securities are set out in the Base Prospectus dated 7 August 2006 in the section headed "Exposure to the Underlying Assets where Underlying Assets consist of Synthetic CDO Securities, CDO Squared Securities, Credit Commodity Linked Securities and Asset-Backed Securities" at pages 11 to 12. Paragraph 33(a) of the Pricing Supplements dated 21 November 2006 relating to each Tranche of the Notes which have always been available for inspection state that the Original Underlying Assets for the Notes are the Series 2006-32 Class II Floating Rate Notes due 2012 issued by Morgan Stanley ACES SPC acting for the account of the Series 2006-32 Segregated Portfolio (the "**Original Underlying Assets**"). As at the Issue Date, the credit rating assigned by Fitch to the Original Underlying Assets was "AA".

Since the Issue Date, credit events have occurred in respect of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Kaupthing banki hf. and Landsbanki Islands hf. Whilst these are not Reference Entities under the Notes, they are reference entities under the Original Underlying Assets. As at the date of this notice, the occurrence of these credit events has not resulted in a Mandatory Redemption Event in relation to the Notes. The credit rating assigned by Fitch to the Original Underlying Assets has been withdrawn.

If you have any questions or queries regarding this notice or the Notes, please consult your own legal, tax, accountancy or other professional adviser as you may see fit.

Capitalised terms used but not otherwise defined in this notice or otherwise specified shall have the meanings ascribed thereto in the Pricing Statement relating to the Notes dated 6 October 2006.

Yours faithfully



PINNACLE PERFORMANCE LIMITED

BY: Gilles Le Sueur
Director

3 November 2008