

OCTAVE NOTES

FREQUENTLY ASKED QUESTIONS

CREDIT EVENT IN RESPECT OF LEHMAN BROTHERS HOLDINGS INC.

8 OCTOBER 2008

These Frequently Asked Questions have been prepared by Victoria Peak International Finance Limited for the distributors of the Octave Notes in Hong Kong. Any questions from investors should be raised with the institution who sold them the Notes in Hong Kong.

Please read the important notice at the end of this document.

1. Which Octave Notes are affected?

The following notes (referred to herein as the "Notes") issued by Victoria Peak International Finance Limited (the "Issuer of the Notes") are affected:

| <i>Series</i> | <i>Notes</i> | <i>Issue Date</i> |
|------------------|--|-------------------------|
| Octave Series 10 | US Dollar Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 HK Dollar Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 | 25 September 2006 |
| Octave Series 11 | US Dollar Credit-Linked Secured Callable Fixed Rate Notes due 2010 and extendable to 2013 HK Dollar Credit-Linked Secured Callable Fixed Rate Notes due 2010 and extendable to 2013 | 15 November 2006 |
| Octave Series 12 | US Dollar Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 HK Dollar Credit-Linked Secured Callable Step-up Fixed Rate Notes due 2012 | 15 November 2006 |

2. What has happened to the Notes?

On 15 September 2008, a credit event occurred with respect to one of the companies referenced in each of the series of the Notes, namely Lehman Brothers Holdings Inc.

3. What is a credit event?

A credit event in respect of a company means that a Bankruptcy, Failure to Pay or Restructuring occurred with respect to that company.

4. Which credit event occurred?

A Bankruptcy credit event occurred with respect to Lehman Brothers Holdings Inc. when it filed for Chapter 11 protection in the United States Bankruptcy Court of New York on 15 September 2008.

5. What are the consequences of this credit event?

On 22 September 2008, the Determination Agent for the Notes, Morgan Stanley & Co. International plc, notified the Issuer of the Notes that a credit event occurred in relation to Lehman Brothers Holdings Inc. This date is the credit event determination date for the purposes of the Notes. Following the occurrence of a credit event determination date, the Notes are subject to early redemption as summarised below.

6. How is the redemption amount calculated following a credit event?

As is set out in the issue prospectus for each series of Notes, the amount that each noteholder will receive on the early redemption of the Notes will be equal to each noteholder's pro-rata share of an amount equal to:

- a) the market value of a portfolio of Lehman Brothers Holdings Inc. bonds and/or loans having a principal amount equal to the principal amount of the relevant Notes; minus
- b) any costs and expenses of the market valuation and/or sale of this debt portfolio; minus
- c) the depreciation in the realised market value of the Underlying Securities (these were Synthetic CDO Securities and were held as collateral by the Issuer of the Notes).

The portfolio of Lehman Brothers Holdings Inc. bonds and/or loans will be selected by the Swap Counterparty, Morgan Stanley Capital Services Inc., and will be valued between 52 business days and 125 business days after the credit event determination date. The valuation date and the constituents of the portfolio will be selected by the Swap Counterparty in its sole and absolute discretion.

In the case of those Notes denominated in Hong Kong dollars, the final redemption amount will be converted into Hong Kong dollars at the USD/HKD exchange rate prevailing on or about the date on which the Notes are redeemed.

7. How much will investors receive when the Notes are redeemed?

At current market prices, we anticipate that investors will lose all of their original principal investment.

8. When will the Notes be redeemed?

The Notes will be redeemed on the second Business Day after the date on which the selected portfolio of bonds or loans of Lehman Brothers Holdings Inc. are valued under the terms of the Notes, as described in the second paragraph of question 6 above.

9. Will the Notes pay any interest after the credit event determination date?

No. As set out in the issue prospectus for the Notes, the Notes ceased to bear interest from the interest payment date immediately preceding the credit event determination date.

10. Who can answer any questions I may have?

You should contact the distributor in Hong Kong that sold you the Notes at the contact telephone number set out below.

| Distributor | Contact Number |
|--|-----------------------|
| Bank of China (Hong Kong) Limited | 3669 3668 |
| Bank of Communications Co., Ltd. Hong Kong Branch | 2269 9699 |
| Chiyu Banking Corporation Limited | 2232 3633 |
| CITIC Ka Wah Bank Limited | 2287 6788 |
| Core Pacific-Yamaichi International (H.K.) Limited | 2826 0857 |
| Dah Sing Bank, Limited | 2828 8001 |
| ICEA Securities Ltd | 3101 8605 |
| Chong Hing Bank Limited | 2161 6888 |
| Nanyang Commercial Bank, Limited | 2622 2633 |
| Public Bank (Hong Kong) Limited | 2853 4671 |
| Shanghai Commercial Bank Limited | 2818 0282 |
| Wing Hang Bank, Ltd. | 3199 9182 |
| Wing Lung Bank Limited | 2526 5555 |

IMPORTANT NOTICE

This document is a summary of some of the terms of the Notes which are relevant to the questions above and is subject to the full terms of the Notes which are described in the relevant offering documentation in respect of the Notes. Investors should refer to the Issue Prospectus and the Programme Prospectus in respect of the relevant Notes for further information. These documents can be accessed at the SFC's website at <http://www.sfc.hk/sfcCOPro/EN/sfcUnlistedByIssuerServlet?ACT=V>.

This document does not constitute legal, financial or any other advice. Investors should seek independent advice where necessary. Capitalised terms used in this document but not otherwise defined herein have the meaning given in the Issue Prospectus for the relevant Notes.