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HSBC FINANCES TWO 15 MEGAWATT ENGINES FOR THE CENTRAL ELECTRICITY BOARD (CEB)

HSBC is financing the acquisition and installation of two additional 15 MegaWatt engines at CEB's power station at Fort Victoria. The total cost of this project amounts to **EUR40m / MUR 1.7 billion**.

The engines have been procured from Danish company Burmeister & Wain Scandinavian Contractor (BWSC), who was also involved in the St Louis project in 2004.

For this major project, HSBC Mauritius has teamed up with HSBC UK Project Export Finance team to get a guarantee from the Danish Export Credit Agency. This has enabled HSBC to provide CEB with the most competitive financing terms, both in terms of tenor of the loan and the pricing, despite the challenging situation prevailing in international credit markets at the moment.

The contract has been signed by our Chief Executive Officer, Sandeep Uppal, together with Stephanie Ip-Lamusse, Head of Corporate Banking, HSBC Mauritius and Richard Hodder, Director Sub-Saharan Africa, Export Finance, HSBC UK; whilst the CEB was represented by Chavan Dabeedin, General Manager and Darma Veragoo, Chief Financial Officer.

"I am delighted that HSBC has once again put together an attractive financial package to support CEB's investments which will enhance the country's infrastructure. The financial package has been put together in the backdrop of a challenging global economic environment and demonstrates HSBC's ability to use its global franchise for the benefit of its customers" Sandeep Uppal, CEO HSBC Mauritius

"I wish to thank HSBC for financing this important generation capacity addition project. This project will definitely help to maintain the security of electricity supply in the 2010 horizon. To succeed as a viable business and to ensure a stable electricity future in line with the economic needs of our growing population, the CEB has once again invested in electricity generation to maintain an important share in the power generation sector in Mauritius. The extension of the Fort Victoria Power Station is a fundamental step for CEB, not only to provide a secure and reliable electricity supply but also to have a greater flexibility to operate the power system in a least-cost and efficient manner" says Chavan Dabeedin, General Manager, CEB

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Notes to editors:

1. The HSBC

In Mauritius, HSBC operates 11 full-service branches and an offshore unit, which for many years has played a leading role in facilitating cross-border investment activity. It offers a wide range of products and services to a diverse domestic and cross border customer base, from accounts services to credit cards, savings, investments, home loans, personal loans and custodian services.

This news release is issued by
The Hongkong and Shanghai Banking Corporation Limited

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News Release

Through our new locally incorporated subsidiary, the HSBC Bank (Mauritius) Ltd (HBMU), HSBC is able to offer many of its global customers more sophisticated financial products and structures that benefit from the extensive range of international double taxation avoidance treaties that Mauritius has negotiated.

2. The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 9,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,527 billion at 31 December 2008, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

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