



HSBC Holdings plc

(a company incorporated in England with registered number 617987; the liability of its members is limited)

as Issuer

USD 50,000,000,000

PROGRAMME FOR THE ISSUANCE OF PERPETUAL SUBORDINATED CONTINGENT CONVERTIBLE SECURITIES

This supplement (the "**Supplement**") to the offering memorandum dated 31 March 2023 relating to the Programme for the Issuance of Perpetual Subordinated Contingent Convertible Securities and the supplementary listing particulars thereto dated 3 May 2023, 2 August 2023 and 31 October 2023 (together, the "**Offering Memorandum**") prepared by HSBC Holdings plc, as issuer (the "**Issuer**"), which constitutes listing particulars for the purposes of listing ("**Listing**") on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and trading on the Global Exchange Market of Euronext Dublin and, for the avoidance of doubt, which does not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129, constitutes supplementary listing particulars (pursuant to rule 3.10 of the Global Exchange Market Listing and Admission to Trading – Rules) for the purposes of Listing.

Terms defined in the Offering Memorandum have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum and any other supplements to the Offering Memorandum prepared by the Issuer in relation to its USD 50,000,000,000 Programme for the Issuance of Perpetual Subordinated Contingent Convertible Securities.

This Supplement has been approved by Euronext Dublin for the purposes of Listing.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to:

- disclose that on 22 February 2024, the Issuer filed with the U.S. Securities and Exchange Commission (the "**SEC**") its Form 20-F (the "**2023 Form 20-F**"). The 2023 Form 20-F, save for the sections entitled "Report of Independent Registered Public Accounting Firm to the Board of Directors and Shareholders of HSBC Holdings plc", "Financial Statements" and "Notes on the Financial Statements" that fall within pages 354 to 461 of the 2023 Form 20-F, is hereby incorporated by reference into the Offering Memorandum. The 2023 Form 20-F is available on the Issuer's website at <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20> and in electronic form on the SEC's website at <https://www.sec.gov/Archives/edgar/data/1089113/000108911324000004/hsbc-20231231.htm>;
- disclose that on 21 February 2024, the Issuer published its Annual Report and Accounts 2023 (the "**2023 Annual Report and Accounts**"). The audited consolidated financial statements of the Issuer, the independent auditors' report thereon and the notes thereto, in respect of the financial year ended 31 December 2023, as set out on pages 318 to 434 of the 2023 Annual Report and Accounts, and the notes to such audited consolidated financial statements of the Issuer that are identified as '(Audited)' and are presented within the sections of the 2023 Annual Report and Accounts entitled "Risk review" and "Directors' remuneration report" which sections are set out on pages 135 to 237 and 279 to 305 respectively of the 2023 Annual Report and Accounts, are

hereby incorporated by reference into the Offering Memorandum. The 2023 Annual Report and Accounts is available on the Issuer's website at <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20>;

- replace paragraph 1 of the "General Information" section of the registration document prepared by the Issuer dated 31 March 2023 (which is incorporated by reference into the Offering Memorandum) with the following statement:

"There has been no significant change in the financial position or financial performance of the Group nor any material adverse change in the prospects of the Issuer since 31 December 2023.";

- replace paragraph 9 of the "General Information" section of the Offering Memorandum with the following statement:

"There has been no material adverse change in the prospects of the Issuer since 31 December 2023.";

- replace paragraph 10 of the "General Information" section of the Offering Memorandum with the following statement:

"There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 31 December 2023.";

- replace the paragraph "Where interest, discount income, prepayment fee, redemption premium or break cost ... shall include such income in a return of income made under the ITA" of the "Form of Pricing Supplement" section of the Offering Memorandum with the following paragraph:

"Where interest, discount income, early redemption fee or redemption premium is derived from any of the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore ("ITA") shall not apply if such person acquires such Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA."; and

- delete the section entitled "Singapore Taxation" on pages 166 to 170 of the Offering Memorandum in its entirety and replace it with the following section:

"Singapore Taxation

The statements below are general in nature and are based on the laws (including certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Monetary Authority of Singapore ("MAS") and Inland Revenue Authority of Singapore ("IRAS")) in force as at the date of this Offering Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. It should be noted that as of the date of this Offering Memorandum, the Income Tax (Qualifying Debt Securities) Regulations have not been amended to reflect the amendments to the Income Tax Act 1947 of Singapore (the "ITA") in respect of the qualifying debt securities scheme pursuant to the Income Tax (Amendment) Act 2023. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences

applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Dealer and any other persons involved in the Programme or the issuance of the Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the statements below are made on the assumption that the Comptroller of Income Tax in Singapore regards each tranche of Securities as "debt securities" for the purposes of the ITA. If any tranche of Securities is not regarded as "debt securities" for the purposes of the ITA, or any distribution payment made under any tranche of Securities is not regarded as interest payable on indebtedness, the tax treatment to holders may differ. Investors and holders of any tranche of Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of Securities.

Interest and Other Payments

Generally, interest and other payments derived by a holder of the Securities who is not resident in Singapore and who does not have any permanent establishment in Singapore is not subject to tax, as such income is likely to be regarded as arising from a source outside Singapore, given that the Issuer is issuing the Securities outside Singapore and not through a branch or otherwise in Singapore. However, even if such interest and payments are regarded as sourced in Singapore, such interest and other payments may also be exempt from tax, including withholding of tax, if the Securities qualify as "qualifying debt securities" as discussed below. Where the Securities are intended to be "qualifying debt securities" for the purpose of the ITA, this will be specified in the relevant Final Terms.

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is 24 per cent. from the year of assessment 2024. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties. Companies are generally subject to income tax at the rate of 17 per cent. on income accrued in, derived from, or received in Singapore from outside Singapore.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

The terms "early redemption fee" and "redemption premium" are defined in the ITA as follows:

"early redemption fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to "early redemption fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

In addition, if the Securities are regarded as "debt securities" and if more than half of a particular Tranche of Securities issued under the Programme are distributed by any or any combination of Specified Licensed Entities, such Tranche of Securities issued under the Programme up to 31 December 2028 would be "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Securities as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Securities of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the **"Specified Income"**) from the Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Securities as the MAS may require), Specified Income from the Securities derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (i) above, is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates); and
- (iii) subject to:
 - (aa) the Issuer including in all offering documents relating to the Securities a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Specified Income) derived from the Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (bb) the Issuer, or such other person as the MAS may direct, furnishing to the MAS a return on debt securities in respect of the Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Securities as the MAS may require,

payments of Specified Income derived from the Securities are not subject to withholding of tax by the Issuer.

The term **"Specified Licensed Entity"** means any of the following persons:

- (a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (b) a finance company licensed under the Finance Companies Act 1967 of Singapore;
- (c) a person who holds a capital markets services licence under the Securities and Futures Act 2001 to carry on a business in any of the following regulated activities: (i) advising on corporate finance; (ii) dealing in capital markets products; or
- (d) such other person as may be prescribed by rules made under Section 7 of the ITA.

However, notwithstanding the foregoing:

- (A) if during the primary launch of any Tranche of the Securities, the Securities of such Tranche are issued to fewer than four (4) persons and 50 per cent. or more of the issue of such Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Securities would not qualify as "qualifying debt securities"; and
- (B) even though a particular Tranche of Securities are "qualifying debt securities", if, at any time during the tenure of such Tranche of Securities, 50 per cent. or more of the issue of such Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Securities held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person (A), means any person (a) who directly or indirectly controls A; (b) who is being controlled directly or indirectly by A; or (c) who, together with A, is directly or indirectly under the control of a common person.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Specified Income) is derived from the Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the ITA (as mentioned above) shall not apply if such person acquires such Securities using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Securities without deduction or withholding of tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, early redemption fee or redemption premium) derived from the Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Taxation relating to Payments on Hybrid Instruments

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, the IRAS has published the e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the "**Hybrid Instruments e-Tax Guide**") which sets out the income tax treatment of hybrid instruments, including the factors that the IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

- (a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;
- (b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the

following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

- (i) nature of interest acquired;
 - (ii) investor's right to participate in issuer's business;
 - (iii) voting rights conferred by the instrument;
 - (iv) obligation to repay the principal amount;
 - (v) payout;
 - (vi) investor's right to enforce payment;
 - (vii) classification by other regulatory authority; and
 - (viii) ranking for repayment in the event of liquidation or dissolution;
- (c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and
- (d) if a hybrid instrument issued by a company or real estate investment trust is characterised as an equity instrument for income tax purposes, payments from the issuer to the investors are regarded as either dividends or distributions.

It is not clear whether the Securities will be regarded as "debt securities" under the ITA and the tax treatment to holders of the Securities under Singapore law may differ depending on the characterisation and treatment of the securities by the IRAS. Prospective holders and holders of the Securities should consult their own accounting and tax advisers regarding the Singapore tax consequences of their acquisition, holding or disposal of the Securities.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, for tax purposes in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Securities is made. Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-tax guide titled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes

to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-tax guide titled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 - Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

Income Tax on Gains Received in Singapore from the Sale or Disposal of Foreign Assets

Under section 10L of the ITA, gains received in Singapore from the sale or disposal by an entity of a relevant group of any foreign asset (i.e. any movable or immovable property situated outside Singapore at the time of such sale or disposal or any rights or interest thereof) is treated as income chargeable to tax. Section 10L applies to sales or disposals that occur on or after 1 January 2024. Under this section, debt securities issued by a company that is incorporated outside Singapore would likely be considered as "foreign assets".

Broadly, a seller entity would be a member of a "relevant group" if (a) its assets, liabilities, income, expenses and cash flows (i) are included in the consolidated financial statements of the parent entity of the group, or (ii) are excluded from the consolidated financial statements of the parent entity of the group solely on size or materiality grounds or on the grounds that the entity is held for sale, and (b) the entities of the group are not all incorporated in a single jurisdiction or any entity of the group has a place of business in more than one jurisdiction.

There are certain exclusions in this regard. The taxation of such gains would not apply to a sale or disposal that is:

- (A) carried out as part of, or incidental to, the business of a "prescribed financial institution", which includes licensed banks, licensed finance companies and holders of a capital markets services licence;
- (B) carried out as part of, or incidental to, the relevant business activities or operations of an entity enjoying certain tax incentives, such as the financial sector incentive; or
- (C) carried out by an excluded entity that has adequate economic substance in Singapore (as defined and provided for under section 10L of the ITA).

The IRAS has also issued an e-tax guide titled "Income Tax: Tax Treatment of Gains or Losses from the Sale of Foreign Assets".

Holders of the Securities who may be subject to the tax treatment under section 10L of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their sale or disposal of the Securities.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008."

To the extent that any document or information incorporated by reference itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Supplement or the Offering Memorandum, except where such information or documents are stated within this Supplement as specifically being incorporated by reference or where this Supplement is specifically defined as including such information. To the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in this Supplement or the Offering Memorandum.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated into the Offering Memorandum by this Supplement and (b) any other statement in or incorporated by reference in the Offering Memorandum prior to the date of this Supplement, the statement in this Supplement will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

