



NOT FOR PUBLICATION OR DISTRIBUTION IN THE UNITED STATES

13 June 2024

**HSBC HOLDINGS PLC
ISSUANCE OF PERPETUAL SUBORDINATED CONTINGENT CONVERTIBLE
SECURITIES**

On 14 June 2024 (the '**Issue Date**'), HSBC Holdings plc (the '**Company**') intends to issue SGD1,500,000,000 5.250% Resettable Perpetual Subordinated Contingent Convertible Securities (Callable During Any Optional Redemption Period (as defined below)) (ISIN XS2764959842) (the '**Securities**').

Application will be made for the Securities to be admitted to the Official List and to trading on the Global Exchange Market (the '**GEM**') of The Irish Stock Exchange plc trading as Euronext Dublin ('**Euronext Dublin**') on or around the Issue Date. The denominations of the Securities will be SGD250,000.

The Securities will be subject to the terms and conditions set out in the offering memorandum dated 27 March 2024 relating to the Company's US\$50,000,000,000 Programme for Issuance of Perpetual Subordinated Contingent Capital Securities and the supplement thereto dated 1 May 2024 (together, the '**Offering Memorandum**').

This Hong Kong Regulatory Announcement is not an offer of Securities for sale in the United States. The Securities may not be offered or sold in the United States absent registration or an exemption from registration.

Subscription

Managers

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch will be the sole global coordinator and a joint bookrunner (the '**Sole Global Coordinator and Joint Bookrunner**').

DBS Bank Ltd., United Overseas Bank Limited, and Oversea-Chinese Banking Corporation Limited will be joint bookrunners (together with the Sole Global Coordinator and Joint Bookrunner, the '**Managers**').

Subscription Agreement

The Company and the Managers have entered into a subscription agreement dated 12 June 2024 (the '**Issue Agreement Date**') in relation to the Securities (the '**Subscription Agreement**'). Pursuant to the Subscription Agreement and the dealer agreement dated 2 September 2014 as last modified and restated by a modified and restated dealer agreement dated 27 March 2024 (the '**Dealer Agreement**') made between the Company and HSBC Bank plc, subject to fulfilment of the conditions set out below in the section headed 'Conditions precedent to the subscription', the Managers have agreed jointly and severally to subscribe for the Securities in immediately available funds, to be issued by the Company on the Issue Date, being 14 June 2024, in an aggregate principal amount of SGD1,500,000,000.

Pursuant to the terms of the Subscription Agreement and Dealer Agreement, the Company has agreed to indemnify the several Managers against certain liabilities in connection with the Securities.

Conditions precedent to the subscription

The Managers' obligations to subscribe for the Securities on the Issue Date are subject to the satisfaction of a number of conditions, including:

- (a) the receipt of (i) certain specified opinions of counsel to the Company and counsel to the Managers, (ii) specified certificates of authorised signatories of the Company, and (iii) a letter from the Company's independent auditor;
- (b) the truth and correctness in all material respects of certain representations and warranties of the Company contained in the Dealer Agreement on the Issue Agreement Date and on the Issue Date, in each case with reference to the facts and circumstances then subsisting;
- (c) there not having been any significant new factor, material mistake or inaccuracy relating to the information contained in the Offering Memorandum, information in respect of which would have been required to have been included in the Offering Memorandum had the relevant significant new factor, material mistake or inaccuracy arisen or been noted prior to the date of the Offering Memorandum and which is material in the context of the issue of the Securities;
- (d) there having been, since the Issue Agreement Date, in the opinion of the Managers (after such consultation with the Company as may be reasonably practicable in the circumstances), no such change in national or international financial, political or economic conditions or currency exchange rates as would, in their view, be likely to prejudice materially the placement, distribution or sale of the Securities or dealings in the Securities in the secondary market; and
- (e) the Securities being admitted to listing on the Official List of Euronext Dublin and trading on its Global Exchange Market, subject only to the issue of the Securities, on or before the Issue Date.

Such conditions may be waived in whole or in part by any Manager (except for the Company's representation that the aggregate principal amount of the Securities issued under

the Programme will not exceed US\$50,000,000,000 (or such greater amount as may be permitted by the terms of the Dealer Agreement)).

Subscribers

The Company intends to offer and sell the Securities to no less than six independent placees (who will be independent individual, corporate and/or institutional investors). To the best of the knowledge, information and belief of the directors of the Company, save as described in the immediately following sentence, each of the placees (and their respective ultimate beneficial owners) will be third parties independent of the Company and are not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the '**SEHK**') (the '**Hong Kong Listing Rules**')). Pursuant to a waiver granted by the SEHK from strict compliance with certain requirements of the Hong Kong Listing Rules (which waiver is described in an announcement by the Company dated 10 January 2017 and which is available on the Company's website), the Sole Global Coordinator and Joint Bookrunner and HSBC Bank plc may hold Securities from time to time for the purposes of market-making transactions.

Principal terms of the Securities

The principal terms of the Securities are summarised as follows:

<i>Issuer</i>	The Company.
<i>Securities offered</i>	SGD1,500,000,000 in aggregate principal amount.
<i>Maturity date</i>	Perpetual.
<i>Issue price</i>	100% of the aggregate principal amount of the Securities.
<i>Interest</i>	From (and including) the Issue Date to (but excluding) the first Reset Date (as defined below) 5.250 % per annum (the ' Initial Rate of Interest '). From (and including) each Reset Date to (but excluding) the next following Reset Date, the applicable per annum interest rate (the ' Reset Rate of Interest ') will be equal to the sum of the SORA-OIS Rate (as determined in accordance with the provisions below) and 2.237%.
<i>Reset Date</i>	The Resettable Security Interest Payment Date (as defined below) falling on 14 December 2029 and 14 December 2034, and thereafter each Resettable Security Interest Payment Date falling on 14 December in each year falling five years after the immediately preceding Reset Date (each such date, a ' Reset Date '). Each period from (and including) a Reset Date to (but excluding) the following Reset Date will be a ' Reset Period '.
<i>Resettable Security Interest Payment Dates</i>	14 June and 14 December in each year commencing on 14 December 2024.
<i>Reset Determination Dates</i>	The second business day immediately preceding a Reset Date (each, a ' Reset Determination Date ').
<i>SORA-OIS Rate</i>	The Calculation Agent will, in respect of each Reset Period, determine the five-year SORA-OIS reference rate available on the 'OTC SGD OIS'

page on Bloomberg under 'BGN' appearing under the column headed 'Ask' (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Company and notified to the Calculation Agent)) (the '**Relevant SORA-OIS Screen Page**') at the close of business on the relevant Reset Determination Date (such rate, the '**SORA-OIS Rate**'), and the Reset Rate of Interest for the relevant Reset Period shall be the sum of the SORA-OIS Rate as determined in accordance with the above provisions and 2.237%, with such sum converted (if necessary) in line with market convention to a basis (e.g. annual, semi-annual, quarterly) equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period, all as determined by the Calculation Agent; provided, however, that if the Relevant SORA-OIS Screen Page is not available or such rate does not appear on the Relevant SORA-OIS Screen Page on the relevant Reset Determination Date, the Reset Rate of Interest (as applicable) shall be determined to be the rate of interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the Reset Rate of Interest shall be the Initial Rate of Interest.

Notwithstanding the above provisions, if the Company (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event (as defined in the terms and conditions of the Securities (the '**Conditions**')) has occurred in relation to an Original Reference Rate when any interest rate (or the relevant component part thereof) remains to be determined by reference to that Original Reference Rate, then a number of fallback provisions apply, as set out in the Conditions, including the potential determination by an Independent Adviser (as defined below) or by the Company (in consultation, to the extent practicable, with the Calculation Agent and acting in good faith and in a commercially reasonable manner) of a successor rate or alternative reference rate for determining the Reset Rate of Interest.

'Original Reference Rate' means (A) the SORA-OIS Rate (or any component part(s) thereof) or (B) (if applicable) any other successor rate or alternative reference rate (or any component part(s) thereof) determined and applicable to the Securities pursuant to the earlier operation of the above-mentioned fallback provisions.

Discretionary interest payments

The Company shall be entitled at its full discretion to cancel (in whole or in part) any amounts of interest otherwise payable in respect of the Securities on any date (the '**Discretionary Interest Payment Right**').

Restriction on interest payments

In addition to the Discretionary Interest Payment Right, the terms of the Securities restrict the Company from making interest payments in certain circumstances, including where the Company's distributable items or the maximum distributable amount that is applicable to the Company is exceeded, the Company would not be solvent at the time of such interest payment, or the Lead Regulator (as defined below) orders the Company to cancel (in whole or in part) the interest otherwise payable on such interest payment date, in which case Company shall cancel (in whole or, as the case may be, in part) the interest otherwise payable on such date.

Optional redemption

The Securities will not be redeemable at the option of the holders of the Securities (the '**Securityholders**') at any time.

Subject to certain conditions described in the Conditions, the Securities may be redeemed in whole (but not in part) at the Company's option in its sole discretion on any business day during an Optional Redemption Period (as defined below), on giving not less than 10 nor more than 60 days' notice to the Securityholders, at a redemption price equal to 100% of the principal amount, together with (to the extent not cancelled pursuant to the terms and conditions of the Securities (the '**Conditions**')) interest accrued and unpaid thereon, if any, to the date fixed for redemption.

'**Optional Redemption Period**' means each period commencing on (and including) the date falling six months prior to a Reset Date, and ending on (and including) such Reset Date.

Special event redemption

Subject to certain conditions described in the Conditions, the Securities may be redeemed in whole (but not in part) at the option of the Company in its sole discretion upon the occurrence of a Tax Event or a Capital Disqualification Event. In each case, the redemption price for the Securities will be equal to 100% of their principal amount, together with (to the extent not cancelled pursuant to the Conditions) interest accrued and unpaid thereon, if any, to the date fixed for redemption.

A '**Tax Event**' will be deemed to have occurred with respect to the Securities if at any time the Company determines that certain tax events have occurred (as specified in the Conditions).

A '**Capital Disqualification Event**' will be deemed to have occurred if the Company determines, at any time after the Issue Date, there is a change in the regulatory classification of the Securities that results in or will result in their (i) exclusion in whole or in part from the regulatory capital of the Company together with its consolidated subsidiaries (the '**HSBC Group**') (other than as a consequence of a conversion of the Securities following the occurrence of a Capital Adequacy Trigger); or (ii)

reclassification in whole or in part as a form of the HSBC Group's regulatory capital that is lower than additional tier 1 capital.

Capital Adequacy Trigger

A '**Capital Adequacy Trigger**' will occur if at any time the Common Equity Tier 1 Capital Ratio of the HSBC Group is below 7.00%.

Whether a Capital Adequacy Trigger has occurred at any time shall be determined by the Company, the Lead Regulator or any agent of the Lead Regulator appointed for such purpose by the Lead Regulator.

'**Applicable Rules**' means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy (including, without limitation, as to leverage) then in effect in the UK including, without limitation to the generality of the foregoing, the UK CRR, the Banking Act and any regulations, requirements, guidelines and policies relating to capital adequacy adopted by the Lead Regulator from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Company or to the Company and any holding or subsidiary company of the Company or any subsidiary of any such holding company), in each case as amended, supplemented or replaced from time to time.

'**Banking Act**' means the Banking Act 2009, as amended.

'**CET1 Capital**' means, as at any date the sum, expressed in U.S. dollars of all amounts that constitute Common Equity Tier 1 Capital of the HSBC Group as at such date, less any deductions from Common Equity Tier 1 Capital of the HSBC Group required to be made as of such date, in each case as calculated by the Company on a consolidated basis and without applying the transitional provisions set out in Part 10 of the UK CRR (or in any successor provisions thereto or any equivalent provisions of the Applicable Rules which replace or supersede such provisions) in accordance with the Applicable Rules applicable to the Company as at such date (which calculation shall be binding on the trustee and the Securityholders).

'**Common Equity Tier 1 Capital**' has the meaning given to it in the Applicable Rules as interpreted and applied in accordance with the Applicable Rules then applicable to the HSBC Group or by the Lead Regulator.

'**Common Equity Tier 1 Capital Ratio**' means, as at any date, the ratio of the CET1 Capital as at such date to the Risk Weighted Assets as at the same date, expressed as a percentage and on the basis that all measures used in such calculation shall be calculated without applying the transitional provisions set out in Part 10 of the UK CRR (or in

any successor provisions thereto or any equivalent provisions of the Applicable Rules which replace or supersede such provisions).

'Lead Regulator' means the Prudential Regulation Authority or any successor or other entity primarily responsible for the prudential supervision of the Company.

'Risk Weighted Assets' means, as of any date, the aggregate amount, expressed in US Dollars, of the risk weighted assets of the HSBC Group as of such date, as calculated by the Company on a consolidated basis and without applying the transitional provisions set out in Part 10 of the UK CRR (or in any successor provisions thereto or any equivalent provisions of the Applicable Rules which replace or supersede such provisions), in accordance with the Applicable Rules applicable to the HSBC Group as of such date (which calculations shall be binding on the trustee and the Securityholders) and where the term 'risk weighted assets' means the risk weighted assets or total risk exposure amount, as calculated by the Company in accordance with the Applicable Rules applicable to the HSBC Group as of such date.

'UK CRR' means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as amended or supplemented, as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the **'EUWA'**).

Conversion upon a Capital Adequacy Trigger

If a Capital Adequacy Trigger occurs:

- i. the Securities shall be irrevocably discharged and satisfied by its conversion into Ordinary Shares, credited as fully paid, in the manner and in the circumstances described in the Conditions, and the issuance and delivery of such Ordinary Shares to the Settlement Shares Depositary;
- ii. such conversion shall occur without delay upon the occurrence of such Capital Adequacy Trigger and, in any event, within one month from the time it is determined that the Capital Adequacy Trigger has occurred or within such shorter period as the Lead Regulator may require (such date on which conversion is to occur is the **'Conversion Date'**); and
- iii. the Securities will be converted in whole and not in part on the Conversion Date, at which point all of the Company's obligations under the Securities shall be irrevocably discharged and satisfied by the Company's issuance and delivery of the relevant Ordinary shares to

the Settlement Shares Depositary on the Conversion Date.

The Securities will not be convertible into Ordinary Shares at the option of the Securityholders at any time.

'Ordinary Shares' means fully paid ordinary shares in the capital of the Company.

'Settlement Shares Depositary' means a reputable financial institution, trust company or similar entity (which in each such case is wholly independent of the Company) to be appointed by the Company on or prior to any date when a function ascribed to the Settlement Shares Depositary in the Conditions is required to be performed and which will hold the Ordinary Shares (and any Alternative Consideration, if applicable) on trust for Securityholders in one or more segregated accounts, unless otherwise required to be transferred out of such accounts for the purposes of a Conversion Shares Offer, and otherwise on terms consistent with the Conditions.

Ordinary Shares and Conversion Price

The Company shall issue and deliver to the Settlement Shares Depositary on the Conversion Date a number of Ordinary Shares in respect of a Security determined by dividing the principal amount of such Security by the Conversion Price, subject to rounding and fractional adjustments set out in the Conditions.

The **'Conversion Price'** is fixed initially at SGD4.6481 per Ordinary Share and is subject to certain anti-dilution adjustments as described below.

Assuming that there is no adjustment to the Conversion Price, the maximum number of Ordinary Shares that may be issued upon an Automatic Conversion of the Securities is approximately 322,712,506.

Ranking of Conversion Shares

The Ordinary Shares issued and delivered on conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that any Ordinary Shares so issued and delivered will not rank for (or, as the case may be, the relevant Securityholder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the Conversion Date.

Conversion Shares Offer

The Company may elect, at its sole and absolute discretion and following the conversion upon a Capital Adequacy Trigger (as described above), that the Settlement Shares Depositary (or an agent on its behalf) will make an offer of, in the Company's sole and absolute discretion, all or some of the Ordinary Shares to be delivered on conversion to, in the Company's sole and absolute discretion, all or some

of the Company's Shareholders at such time, such offer to be at a cash price per Ordinary Share equal to the Conversion Shares Offer Price, in accordance with the following provisions, subject to certain conditions (a '**Conversion Shares Offer**').

The '**Conversion Shares Offer Price**' is fixed initially at £2.70 per Conversion Share and is subject to certain anti-dilution adjustments as described below.

On the Issue Date, the Conversion Shares Offer Price and the Conversion Price will be equal (based on an exchange rate of £1.00 = SGD1.7215).

Conversion Shares Offer consideration

Upon expiry of the Conversion Shares Offer period, the Settlement Shares Depositary will provide notice to the Securityholders of the composition of the Alternative Consideration (and of the deductions to the cash component, if any, of the Alternative Consideration (as set out in the definition of Alternative Consideration)). The Alternative Consideration shall be held on trust by the Settlement Shares Depositary for the Securityholders.

'**Alternative Consideration**' means, in respect of each Security and as determined by the Company:

(a) if all of the Ordinary Shares to be issued and delivered on conversion are sold in the Conversion Shares Offer, the *pro rata* share of the cash proceeds from the sale of such Ordinary Shares attributable to such Security (converted, if necessary, into Singapore Dollars at a prevailing exchange rate pursuant to the Conditions) as determined by the Settlement Shares Depositary, and less the *pro rata* share of any foreign exchange transaction costs and an amount equal to the *pro rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of Ordinary Shares to the Settlement Shares Depositary pursuant to the Conversion Shares Offer;

(b) if some, but not all of such Ordinary Shares to be issued and delivered upon conversion are sold in the Conversion Shares Offer, (x) the *pro rata* share of the cash proceeds from the sale of such Ordinary Shares attributable to such Security (converted, if necessary, into Singapore dollars at a prevailing exchange rate pursuant to the Conditions) as determined by the Settlement Shares Depositary, and less the *pro rata* share of any foreign exchange transaction costs and an amount equal to the *pro rata* share of any taxes or duties (including, without limitation, any capital, stamp, issue and registration and transfer taxes or duties) that may arise or be paid in connection with the issue and delivery of Ordinary Shares to the Settlement Shares Depositary pursuant to the Conversion Shares Offer and (y) the *pro rata* share of such Ordinary Shares not sold pursuant to the Conversion Shares Offer attributable to such Security

rounded down to the nearest whole number of Ordinary Shares; and

(c) if no Ordinary Shares are sold in the Conversion Shares Offer, the relevant number of Ordinary Shares which would have been received had the Company not elected that the Settlement Shares Depository should carry out a Conversion Shares Offer.

Adjustments to the Conversion Price and the Conversion Shares Offer Price

The Conversion Price and Conversion Shares Offer Price will be adjusted upon the occurrence of the following events: (i) a consolidation, reclassification, redesignation or subdivision in relation to the Ordinary Shares, (ii) an issuance of Ordinary Shares in certain circumstances by way of capitalisation of profits or reserves, (iii) an Extraordinary Dividend (as defined in the Conditions), (iv) an issue of Ordinary Shares to shareholders as a class by way of rights or (v) a Qualifying Relevant Event (as defined in the Conditions), in each case only in the situations and to the extent provided in the Conditions.

Adjustments are not required for every corporate or other event that may affect the market price of the Conversion Shares and an Independent Adviser may make modifications as it determines to be appropriate.

'Independent Adviser' means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Company at its own expense.

Transfers after Suspension Date

Transfers of beneficial interests in the Securities where such Securities are represented by a global registered security will not be registered by the clearing systems after the date specified as the 'Suspension Date' in a notice given by the Company to holders of Securities after the occurrence of a Capital Adequacy Trigger.

Form of Securities

The Securities will be represented by a global registered security which is exchangeable for definitive registered securities in the limited circumstances specified in such global registered security. The Securities will be registered in the name of a nominee for the common depository for Euroclear Bank SA/NV and Clearstream Banking S.A. and the global registered security will be deposited on or about the Issue Date with the common depository.

Status

The Securities constitute direct, unsecured obligations of the Company ranking *pari passu* without any preference among themselves. The rights and claims of the Securityholders are subordinated in the event of the winding-up of the Company in England to the Prior Ranking Creditors and as described in the Conditions.

'Prior Ranking Creditors' means the creditors of the Company (a) who are unsubordinated creditors, or (b) whose claims are, or are expressed to be

subordinated to the claims of unsubordinated creditors but not further or otherwise, or (c) whose claims are, or are expressed to be, junior to the claims of other creditors of the Company, whether subordinated or unsubordinated, other than those whose claims rank or are expressed to rank *pari passu* with, or junior to, the claims of the Securityholders in a winding-up occurring prior to the Capital Adequacy Trigger and includes creditors in respect of (i) the principal and interest in respect of the Existing Subordinated Eurobonds (as such term is defined in the Conditions) and (ii) the principal and interest in respect of any Subordinated Notes (as such term is defined in the Conditions).

Listing

Application will be made to admit the Securities to the Official List of the Irish Stock Exchange and to trading on the GEM on or around the Issue Date. No assurance can be given as to whether or not, or when, such application will be granted. The GEM is not a regulated market for the purposes of the Directive 2014/65/EU (as amended, 'MiFID II') or Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

Calculation Agent

HSBC Bank plc, or its successor appointed by the Company, pursuant to a calculation agent agreement expected to be entered into on the Issue Date (the '**Calculation Agent**').

Minimum Denominations

The Securities will be issued only in registered form in minimum denominations of SGD250,000.

Business Day

A day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Singapore, New York and Hong Kong.

Governing Law and Jurisdiction

The trust deed relating to the Securities (the '**Trust Deed**') and the Securities, and any non-contractual obligations arising out of or in connection with the Trust Deed and the Securities, shall be governed by, and construed in accordance with, English law. The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Securities (including any non-contractual obligations arising out of or in connection with the Securities).

Waiver granted by the SEHK and specific mandate for the issuance of the Securities

The Company announced on 20 March 2024 that it had applied for, and the SEHK had granted, a waiver from strict compliance with the requirements of Rule 13.36(1) of the Hong Kong Listing Rules pursuant to which the Company was permitted to seek (and, if approved, to utilise) an authority (the '**Mandate**') to issue Contingent Convertible Securities ('**CCSs**') (and to allot Ordinary Shares into which they may be converted or exchanged) in excess of the limit of the general mandate of 20% of the Company's issued share capital.

At the 2024 annual general meeting of the Company held on 3 May 2024, the shareholders of the Company approved the Mandate allowing the Company to allot Ordinary Shares or grant rights to subscribe for, or to convert any security into, Ordinary Shares in connection with the issue of CCSs up to an aggregate nominal amount of US\$1,905,105,226, equivalent to approximately 20% of the Company's issued ordinary share capital as at 7 March 2024,

without first offering them to existing shareholders. The Mandate is effective until the Company's annual general meeting in 2025 or the close of business on 30 June 2025, whichever is the earlier, and is in addition to any general mandate granted by the shareholders at any annual general meeting of the Company to allot Ordinary Shares (for example, at the 2024 annual general meeting, the Company sought, and received from shareholders, a separate authority to allot new Ordinary Shares (or rights to Ordinary Shares) of up to an aggregate nominal amount of US\$6,350,350,753, representing approximately two-thirds of the Company's issued ordinary share capital in total as at 7 March 2024, subject to certain limitations as described in the notice of the 2024 annual general meeting of the Company dated 22 March 2024 (the '**AGM Notice**'). For further details, please refer to the AGM Notice and the announcement of the Company dated 3 May 2024 disclosing the poll results of such meeting.

As of the date of this announcement, no CCSs convertible into Ordinary Shares and covered by the Mandate have been issued by the Company. Accordingly, there is remaining headroom under the Mandate of US\$1,905,105,226 in nominal amount of Ordinary Shares. Assuming that there is no adjustment to the Conversion Price for the Securities, the aggregate nominal amount of the Ordinary Shares which may be issued upon conversion of all the Securities is US\$161,356,253. Accordingly, the Securities are being issued pursuant to and out of the Mandate and the issuance of the Securities is not subject to approval by the shareholders of the Company.

Application for listing

If a Capital Adequacy Trigger occurs, and Ordinary Shares are issued pursuant to the conversion of the Securities, application will be made by the Company to (i) the UK Financial Conduct Authority and to the London Stock Exchange for the Ordinary Shares to be admitted to the Official List and to trading respectively, (ii) the SEHK for the listing of, and permission to deal in, the Ordinary Shares, and (iii) the New York and Bermuda stock exchanges for listing of the Ordinary Shares.

Reasons for the issuance of the Securities and use of proceeds

The Company intends to use the net proceeds from the sale of the Securities for general corporate purposes and to maintain and further strengthen the Company's capital base pursuant to requirements under the UK CRR.

The aggregate gross proceeds from the issuance of the Securities are expected to be SGD1,500,000,000. The net proceeds from the issuance of the Securities, after the deduction of the commission to the Managers, are expected to be SGD1,485,000,000.

Fund raising activities in the past 12 months

The Company has not carried out any issue of equity securities during the 12 months immediately preceding the date of this announcement, save and except for the Issuances of Ordinary Shares to Employees.

For these purposes, '**Issuances of Ordinary Shares to Employees**' means the issuances by the Company of Ordinary Shares to certain of its directors and employees pursuant to or in connection with the grant of share awards, share option schemes, or share saving schemes of the Company.

Effects on shareholding structure of the Company

In the event a Capital Adequacy Trigger occurs, assuming full conversion of the Securities at the initial Conversion Price takes place, the Securities will be convertible into approximately 322,712,506 Ordinary Shares representing, as at 6 June 2024, approximately 1.72% of the issued share capital of the Company and approximately 1.70% of the issued share capital of the Company as enlarged by the issue of such Conversion Shares.

The Conversion Shares issued upon conversion of the Securities will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Conversion Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that

The Securities are not deposit liabilities of the Company and are not covered by the United Kingdom Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the United Kingdom, the United States or any other jurisdiction.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the '**Securities Act**') and may not be offered, sold or delivered within the United States or to, or for the account or 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 under the Securities Act.

The Securities are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

- a. In the UK, the Financial Conduct Authority ('**FCA**') Conduct of Business Sourcebook ('**COBS**') requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a '**retail client**') in the UK.
- b. By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Company and/or the Managers, each prospective investor represents, warrants, agrees with and undertakes to the Company and the Managers that:
 - i. it is not a retail client in the UK; and
 - ii. it will not (A) sell or offer the Securities (or any beneficial interests therein) to retail clients in the UK or (B) communicate (including the distribution of the Offering Memorandum) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

For the avoidance of doubt, the obligations above are without prejudice to the need to comply at all times with all applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area (the '**EEA**') or the UK) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), whether or not specifically mentioned in the Offering Memorandum (including (without limitation) any requirements under MiFID II or the FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction).

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Company and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

PRIIPS Regulation—Prohibition of sales to EEA retail investors – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the '**PRIIPs Regulation**') for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation—Prohibition of sales to UK retail investors – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the '**FSMA**') and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the '**UK PRIIPs Regulation**') for offering or selling the Securities or

otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

For and on behalf of
HSBC Holdings plc
Aileen Taylor
Group Company Secretary and Chief Governance Officer

Notes to editors:

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of US\$3,001 bn at 31 March 2024, HSBC is one of the world's largest banking and financial services organisations.

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