

THE PRELIMINARY DRAWDOWN PROSPECTUS IS NOT FOR DISTRIBUTION WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933).

IMPORTANT: You must read the following before continuing. The following applies to the preliminary drawdown prospectus following this page (the "**Preliminary Drawdown Prospectus**") and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Preliminary Drawdown Prospectus. In accessing the Preliminary Drawdown Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from HSBC Holdings plc (the "**Issuer**"), The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, DBS Bank Ltd., United Overseas Bank Limited, Bank of China Limited, Singapore Branch, Industrial and Commercial Bank of China Limited, Singapore Branch and Malayan Banking Berhad (together, the "**Managers**") as a result of such access.

THE ATTACHED DOCUMENT IS IN PRELIMINARY FORM ONLY, IS NOT COMPLETE AND CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THE PRELIMINARY DRAWDOWN PROSPECTUS IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE PRELIMINARY DRAWDOWN PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. THE PRELIMINARY DRAWDOWN PROSPECTUS MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" TO NON-U.S. PERSONS, AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY DRAWDOWN PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE PRELIMINARY DRAWDOWN PROSPECTUS.

Confirmation of your representation: In order to be eligible to view the Preliminary Drawdown Prospectus or make an investment decision with respect to the securities being offered, prospective investors must be located outside the United States. The Preliminary Drawdown Prospectus is being sent to you at your request, and by accessing the Preliminary Drawdown Prospectus you shall be deemed to have represented to the Issuer and the Managers that (1) you and any customers that you represent are non-U.S. persons purchasing the securities being offered in an "offshore transaction" (within the meaning of Regulation S under the Securities Act) and the electronic mail address that you have provided and to which this e-mail has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia and (2) you consent to delivery of the Preliminary Drawdown Prospectus by electronic transmission.

You are reminded that the Preliminary Drawdown Prospectus has been delivered to you on the basis that you are a person into whose possession the Preliminary Drawdown Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Preliminary Drawdown Prospectus to any other person.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and a Manager is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by such Manager on behalf of the Issuer in such jurisdiction.

In addition, in the United Kingdom, this Preliminary Drawdown Prospectus is being distributed only to and directed only at qualified investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) are persons who are high net worth entities and other persons falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "**relevant persons**"). This Preliminary Drawdown Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Preliminary Drawdown Prospectus relates is available only to, and will be engaged in only with, relevant

persons in the United Kingdom. Each recipient also represents and agrees that it has complied and will comply with all applicable provisions of the Financial Services Markets Act 2000, as amended, with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom. The Notes are not being offered to the public in the United Kingdom.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

The Preliminary Drawdown Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer or the Managers, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Drawdown Prospectus distributed to you in electronic format and the original version.

PRELIMINARY DRAWDOWN PROSPECTUS DATED 7 MARCH 2023 - SUBJECT TO AMENDMENT AND COMPLETION

PROSPECTUS DATED [•] 2023



HSBC HOLDINGS PLC

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

SGD [•] [•] per cent. Fixed Rate Resetable Subordinated Notes due [•] (the "Notes")

This document (which expression shall include all documents incorporated by reference herein) (this "**Prospectus**") has been prepared for the purpose of providing disclosure information with regard to the Notes issued by HSBC Holdings plc (the "**Issuer**").

This Prospectus has been approved by the United Kingdom ("**UK**") Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**") (the "**UK Prospectus Regulation**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The Notes will be issued under the Issuer's Debt Issuance Programme (the "**Programme**").

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. INVESTORS SHOULD CONSIDER CAREFULLY THE RISK FACTORS SET FORTH OR REFERRED TO IN THE SECTION HEADED "RISK FACTORS" BELOW.

The Issuer may redeem the Notes in whole but not in part on [•] at a redemption price equal to 100 per cent. of their aggregate principal amount (together with interest accrued and unpaid thereon, if any, to the date fixed for redemption) as further described in Condition 6(c) (*Redemption and Purchase; Substitution or Variation - Redemption at the Option of the Issuer*) of the "*Terms and Conditions of the Notes*" section of the Base Prospectus incorporated by reference herein and in the section entitled "*Terms and Conditions of the Notes*" below. The Issuer may also redeem the Notes for certain taxation or capital disqualification event reasons, as further described in the "*Term and Conditions of the Notes*" section of the Base Prospectus incorporated by reference herein and in the section entitled "*Terms and Conditions of the Notes*" below.

Application will be made to admit the Notes to listing on the Official List of the FCA and to trading on the main market (the "**Main Market**") of the London Stock Exchange plc (the "**London Stock Exchange**"). The Main Market is a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK MiFIR**").

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the state securities laws of any state of the United States, and may not be offered or sold 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 ("**Regulation S**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes are in registered form.

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

The Notes are expected to be rated with the following long-term credit ratings: BBB by S&P Global Ratings UK Limited ("**S&P**"), A- by Fitch Ratings Limited and Baa1 by Moody's Investors Service Limited ("**Moody's**"). Each of S&P, Fitch and Moody's is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law by virtue of the EUWA. As such, each of S&P, Fitch and Moody's appears on the latest update of the list of registered credit rating agencies (as at the date of this Prospectus) on the UK FCA's Financial Services Register. The ratings each of S&P, Fitch and Moody's have given to the Issuer are endorsed by S&P

Global Ratings Europe Limited, Fitch Ratings Ireland Limited and Moody's Deutschland GmbH respectively, each of which is established in the European Union and registered under Regulation (EU) No 1060/2009 on credit rating agencies. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.**

Sole Global Coordinator and Bookrunner

HSBC

Joint Bookrunners

DBS Bank Ltd.

UOB

Co-Managers

Bank of China

ICBC Singapore

Maybank

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

The Issuer does not intend to provide post-issuance information.

None of The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, DBS Bank Ltd., United Overseas Bank Limited, Bank of China Limited, Singapore Branch, Industrial and Commercial Bank of China Limited, Singapore Branch and Malayan Banking Berhad (together, the "**Managers**") or The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include any successor to The Law Debenture Trust Corporation p.l.c. as trustee under the trust deed dated 28 June 2000 between the Issuer and the Trustee (such Trust Deed as last modified and restated by a modified and restated trust deed dated 28 March 2022 and as further modified and/or supplemented and/or restated from time to time, the "**Trust Deed**")) has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Managers or the Trustee as to the accuracy or completeness of this Prospectus or any document incorporated by reference herein or any further information supplied in connection with the Notes. The Managers and the Trustee accept no liability in relation to this Prospectus or its distribution or with regard to any other information supplied by or on behalf of the Issuer.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any further information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee or any of the Managers.

Neither this Prospectus nor any further information supplied in connection with the Notes should be considered as a recommendation or as constituting an invitation or offer by the Issuer, the Trustee or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the Notes should subscribe for or purchase the Notes. Each investor contemplating subscribing for or purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained in this Prospectus is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. The Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or its subsidiary undertakings during the life of the Notes.

The distribution of this Prospectus and the offer, distribution or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or the Notes come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus, see the "*Subscription and Sale*" section of the Base Prospectus (as defined below) incorporated by reference herein (and, for these purposes, references therein to the Base Prospectus shall be deemed to include this Prospectus) and the "*Subscription and Sale*" section of this Prospectus.

THE NOTES HAVE NOT BEEN RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Notes may not be a suitable investment for all investors. The Notes may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risk of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

In addition, in the UK, this Prospectus is being distributed only to and directed only at qualified investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) are persons who are high net worth entities and other persons falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "**relevant persons**"). This Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, relevant persons in the UK. Each recipient also represents and agrees that it has complied and will comply with all applicable provisions of the Financial Services Markets Act 2000, as amended, with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK. The Notes are not being offered to the public in the UK.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Notwithstanding any provision herein, every person (and each employee, representative or other agent of such person) may disclose to any and all other persons, without limitation of any kind, any information provided to him by or on behalf of the Issuer relating to the U.S. tax treatment and U.S. tax structure of transactions under the Programme and all materials of any kind (including opinions or other tax analyses) that are provided by or on behalf of the Issuer to that person relating to such U.S. tax treatment and U.S. tax structure.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Important Notice to Prospective Investors- Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Managers, are "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective

investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks).

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Prospectus.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes. CMIs should not place "X-orders" into the order book.

CMI should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMI (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMI (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In connection with the issue of the Notes, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch in its capacity as Stabilisation Manager (or person(s) acting on its behalf in such capacity) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on behalf of the Stabilisation Manager) in accordance with the applicable laws and rules.

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RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Prospectus, including, in particular, the risk factors described below and incorporated by reference herein. The Issuer considers such risk factors to be the principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes and/or risk factors that are material for the purposes of assessing the market risk associated with the Notes. Words and expressions defined in the Terms and Conditions of the Notes or elsewhere in this Prospectus have the same meanings in this section. References herein to "HSBC" and the "Group" refer to the Issuer and its subsidiaries.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes. Additional risks and uncertainties relating to the Issuer or the Notes that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and its subsidiaries, the value of the Notes and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances.

Risks relating to the Issuer

The section entitled "Risk Factors" on pages 161 to 173 of the Issuer's Form 20-F dated 22 February 2023 filed with the U.S. Securities and Exchange Commission ("SEC") (as set out at <https://www.sec.gov/Archives/edgar/data/1089113/000108911323000006/hsbc-20221231.htm> (the "**2022 Form 20-F**")), as incorporated by reference herein on page 2, sets out a description of the risk factors that may affect the ability of the Issuer to fulfil its obligations to investors in relation to the Notes.

Risks relating to the Notes

The sections entitled "*Risks relating to specific features of Notes*", "*Risks relating to interest provisions of the Notes, including benchmark reform and transition*" and "*Risks relating to Notes generally*" on pages 4 to 6, 6 to 9, and 9 to 14, respectively, of the base prospectus dated 28 March 2022, relating to the Programme (as supplemented by the base prospectus supplements dated 27 April 2022, 2 August 2022, 26 October 2022 and 23 February 2023, the "**Base Prospectus**"), as incorporated by reference herein on page 2, together with "*The Notes may be subject to Singapore tax risk*" below, set out a description of the risk factors that are material to the Notes in order to assess the market risk associated with the Notes.

The Notes may be subject to Singapore tax risk

The Notes are intended to be "qualifying debt securities" for the purpose of the Income Tax Act 1947 of Singapore, subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – Singapore*". However, should the relevant tax laws be amended or revoked at any time, there is a risk that the Notes will no longer benefit from the tax concessions in connection therewith which could have an adverse impact on the tax position of Noteholders.

INCORPORATION BY REFERENCE

This section provides details of the documents incorporated by reference which form part of this Prospectus and which are publicly available.

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the sections set out below from the Base Prospectus dated 28 March 2022:
- | | |
|--|---------|
| Risk Factors – Risks relating to specific features of Notes | 4-6 |
| Risk Factors – Risks relating to interest provisions of the Notes, including benchmark reform and transition | 6-9 |
| Risk Factors – Risks relating to Notes generally | 9-14 |
| Forms of Notes; Summary of Provisions relating to the Notes while in Global Form | 21-28 |
| Clearing and Settlement | 29-33 |
| Terms and Conditions of the Notes | 73-139 |
| Taxation | 140-152 |
| Subscription and Sale | 155-160 |
- (b) the Registration Document of the Issuer dated 28 March 2022 submitted to and filed with the FCA;
- (c) the base prospectus supplements dated 27 April 2022, 2 August 2022, 26 October 2022 and 23 February 2023 to the Base Prospectus;
- (d) the 2022 Form 20-F, save for the sections that fall within pages 345 to 442. The 2022 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>. The 2022 Form 20-F has also been filed with the SEC and is available in electronic form at <https://www.sec.gov/Archives/edgar/data/1089113/000108911323000006/hsbc-20221231.htm>;
- (e) 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 2022, as set out on pages 312 to 417 of the Annual Report and Accounts 2022 of the Issuer (the "**2022 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 2022 Annual Report and Accounts entitled "Risk review" and "Directors' remuneration report", which sections are set out on pages 131 to 238 and 276 to 301 respectively of the 2022 Annual Report and Accounts. The 2022 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>; and
- (f) 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 2021, as set out on pages 297 to 396 of the Annual Report and Accounts 2021 of the Issuer (the "**2021 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 2021 Annual Report and Accounts entitled "Risk review" and "Directors' remuneration report", which sections are set out on pages 120 to 216 and 254 to 287 respectively of the 2021 Annual Report and Accounts. The 2021 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>.

Any information incorporated by reference in the above documents does not form part of this Prospectus and 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 are covered elsewhere in this Prospectus.

The Issuer will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Prospectus or any document incorporated by reference in this Prospectus. Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent. Additionally, this Prospectus and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Final Terms and Supplements' and/or 'Issuance programmes' or alternate links provided in the section entitled "*General Information*"). For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, any websites referred to in this Prospectus or any information appearing on such websites and pages do not form part of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the terms and conditions (the "**Base Conditions**") set out in the section entitled "*Terms and Conditions of the Notes*" on pages 73-139 of the Base Prospectus, which are incorporated by reference into this Prospectus, as completed by the section entitled "*Part A – Contractual Terms*" of the Final Terms below and, in particular, as amended by paragraph 13(b)(xiii) of the Final Terms below. References in the Base Conditions to "Final Terms" shall be deemed to refer to the Final Terms set out below.

Terms used in this section but not otherwise defined shall have the meanings given to them in the Base Conditions.

FINAL TERMS

Final Terms dated [•] 2023

Series No: [•]

Tranche No: 1

HSBC Holdings plc

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

Debt Issuance Programme

Legal Entity Identifier (LEI): MLU0ZO3ML4LN2LL2TL39

Issue of

SGD [•] [•] per cent. Fixed Rate Resettable Subordinated Notes due [•]

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") incorporated by reference into the Prospectus dated [•] 2023 relating to the Notes which constitutes a prospectus (the "**Prospectus**") for the purposes of Part VI of the FSMA. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus (including the documents incorporated by reference therein). Pursuant to the UK Prospectus Regulation, the Prospectus is available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Final Terms and supplements' and/or 'Issuance programmes') and at HSBC Holdings plc, 8 Canada Square, London E14 5HQ (from where copies may also be obtained) during normal business hours.

1.	(i)	Issuer:	HSBC Holdings plc
2.	(i)	Series number:	[•]
	(ii)	Tranche number:	1
	(iii)	Date on which the Notes become fungible:	Not Applicable
3.		Specified Currency:	Singapore Dollars (" SGD ")

- | | | |
|-----|--|---|
| 4. | Aggregate Principal Amount of Notes admitted to trading: | |
| | (i) Series: | SGD [•] |
| | (ii) Tranche: | SGD [•] |
| 5. | Issue Price: | [•] per cent. of the Aggregate Principal Amount |
| 6. | (i) Specified Denomination(s):
Condition 1(d) | SGD 250,000 |
| | (ii) Calculation Amount: | SGD 250,000 |
| 7. | (i) Issue Date: | [•] 2023 |
| | (ii) Interest Commencement Date: | Issue Date |
| | (iii) CNY Issue Trade Date: | Not Applicable |
| 8. | Maturity Date:
(Condition 6(a)) | [•] |
| 9. | Interest basis:
(Conditions 3 to 5) | [•] per cent. Resettable Notes |
| | (a) Change of interest basis: | Not Applicable |
| 10. | Redemption basis:
(Condition 6) | Redemption at par |
| 11. | Put/Call options: | Condition 6(c) will apply as specified below |
| 12. | Status of the Notes:
(Condition 2) | Subordinated Notes |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|---|---|
| 13. | Fixed Rate Notes and Resettable Notes:
(Condition 3) | Applicable |
| | (a) Fixed Rate Note provisions:
(Condition 3(a)) | Not Applicable |
| | (b) Resettable Note provisions:
(Condition 3(b)) | Applicable. The Notes are Resettable Notes. |
| | (i) Initial Rate of Interest: | [•] per cent. per annum payable semi-annually in arrear |
| | (ii) Resettable Coupon Amounts: | Not Applicable |
| | (iii) First Margin: | [•] per cent. per annum |
| | (iv) Subsequent Margin: | Not Applicable |
| | (v) Resettable Note Interest Payment Date(s): | [•] and [•] in each year commencing on [•] 2023 and ending on the Maturity Date |
| | (vi) First Reset Date: | [•] |
| | (vii) Second Reset Date: | Not Applicable |

- (viii) Subsequent Reset Dates: Not Applicable
- (ix) Day Count Fraction: Actual/365 (Fixed)
- (x) Determination Date(s): Not Applicable
- (xi) Business Day Centre(s): London, Singapore and Hong Kong
- (xii) Business Day Convention: No Adjustment
- (xiii) Resetable Note Reference Rate: Resetable Note SORA-OIS Rate

For the purposes of the Notes:

(a) the definition of "**Resetable Note Reference Rate**" shall be amended so that it reads as follows:

"Resetable Note Reference Rate" means the Resetable Note SORA-OIS Rate;

(b) Condition 3(c) shall be replaced with the following:

"Determination of Resetable Note Reference Rate and First Reset Rate of Interest"

If Resetable Note SORA-OIS Rate is specified in the relevant Final Terms as the Resetable Note Reference Rate, the Resetable Note Reference Rate and the First Reset Rate of Interest applicable to the Notes for the Reset Period shall be determined on the following basis: the Calculation Agent will, in respect of the Reset Period, determine the 5-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 Issuer and notified to the Calculation Agent)) (the "**Relevant SORA-OIS Screen Page**") at the close of business on the Reset Determination Date (such rate, the "**Resetable Note SORA-OIS Rate**"), and the First Reset Rate of Interest for the Reset Period shall be the sum of the Resetable Note SORA-OIS Rate as determined in accordance with the above provisions and the First Margin, 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 Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest)."; and

(c) Condition 4(e) shall be amended so that the words:

"If any of Condition 4(c) (*Screen Rate Determination for Floating Rate Notes not*

referencing SONIA, SOFR, €STR or SORA), Condition 3(c)(i) (Mid-Swap Rate) or Condition 3(c)(ii) (Resetable Note Interbank Rate) is applicable to the Notes or Condition 4(d) (Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR or SORA) is applicable and either "SONIA", "€STR" or "SORA" is specified as the Reference Rate in the relevant Final Terms, and in any case, Benchmark Replacement is specified as applicable in the relevant Final Terms then notwithstanding the provisions of Condition 4(c) (Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR, €STR or SORA), Condition 3(c)(i) (Mid-Swap Rate), Condition 3(c)(ii) (Resetable Note Interbank Rate) or 4(d) (Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR, €STR or SORA) (as applicable), if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to that Original Reference Rate, then the following provisions shall apply:"

are replaced with:

"If Condition 3(c) (Determination of Resetable Note Reference Rate and First Reset Rate of Interest) is applicable and Resetable Note SORA-OIS Rate is specified in the relevant Final Terms, then notwithstanding the provisions of Condition 3(c) (Determination of Resetable Note Reference Rate and First Reset Rate of Interest), if the Issuer (in consultation, to the extent practicable, with the Calculation Agent) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to that Original Reference Rate, then the following provisions shall apply:"

(xiv)	Mid-Swap Rate:	Not Applicable
(xv)	Reference Rate applicable to Resetable Note Interbank Rate:	Not Applicable
(xvi)	Benchmark Gilt Rate:	Not Applicable
(xvii)	Resetable Note Reference Bond Rate:	Not Applicable
(xviii)	Benchmark Duration:	Not Applicable
14.	Floating Rate Note provisions (Condition 4)	Not Applicable

15. Zero Coupon Note provisions:
(Condition 5) Not Applicable

PROVISIONS RELATING TO REDEMPTION

16. Issuer's optional redemption (Call):
(Condition 6(c)) Applicable
- (i) Early Redemption Amount (Call): Optional Redemption Amount (Call)
- (ii) Optional Redemption Amount
(Call): SGD 250,000 per Calculation Amount
- (iii) Make Whole Redemption Amount: Not Applicable
- (iv) Series redeemable in part: No
- (v) Call option date(s): [•]
- (vi) Call option notice period: Not less than 10 nor more than 60 days' notice
- (vii) Par Redemption Date: Not Applicable
17. Noteholder's optional redemption (Put):
(Condition 6(d)) Not Applicable
18. Redemption for taxation reasons –
non-deductibility: (Condition 6(b)(iii)) Applicable
19. Redemption upon Capital Disqualification
Event:
(Condition 6(h)) Applicable
- Capital Disqualification Event Early
Redemption Price: SGD 250,000 per Calculation Amount
20. Redemption upon Loss Absorption
Disqualification Event:
(Condition 6(i)) Not Applicable
21. Early redemption amount:
- (i) Early redemption amount upon
redemption for taxation reasons:
(Condition 6(b)) SGD 250,000 per Calculation Amount
- (ii) Early redemption amount upon
enforcement:
(Condition 9) SGD 250,000 per Calculation Amount
22. Substitution or Variation:
(Condition 6(k)) Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:
(Condition 1(a)) Registered
- Regulation S Global Registered Note registered in
the name of a nominee for a common depository
for Euroclear and Clearstream, Luxembourg.

24. (a) If issued in bearer form: Not Applicable
- (b) If issued in registered form: Applicable
- (i) Rule 144A Global Registered Note exchangeable for U.S. Definitive Registered Notes: Not Applicable
- (ii) Restricted Registered Global Note exchangeable for U.S. Definitive Registered Notes: Not Applicable
- (iii) Regulation S Global Registered Notes exchangeable for Regulation S Definitive Registered Notes: Yes
- (iv) Unrestricted Global Registered Note exchangeable for Regulation S Definitive Registered Notes: Not Applicable
25. Exchange Date for exchange of Temporary Global Note: Not Applicable
26. Payments (Condition 8)
- Relevant Financial Centre Day: London, Singapore and Hong Kong
27. U.S. Selling restrictions: TEFRA not applicable
Regulation S Compliance Category 2
28. Prohibition of Sales to EEA Retail Investors: Not Applicable
29. Prohibition of Sales to UK Retail Investors: Not Applicable

CONFIRMED

HSBC HOLDINGS PLC

By:
Authorised Signatory

Date:

PART B - OTHER INFORMATION

1. LISTING

- (i) Listing: Application will be made for the Notes to be admitted to listing on the Official List of the Financial Conduct Authority with effect from on or around the Issue Date.
- (ii) Admission to trading: Application will be made for the Notes to be admitted to trading on the Main Market of the London Stock Exchange plc with effect from on or around the Issue Date.

2. RATINGS

- Ratings: The Notes are expected to be rated:
- | | |
|----------|------|
| S&P: | BBB |
| Fitch: | A- |
| Moody's: | Baa1 |

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the fees and commission payable to the Managers in relation to the Notes, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue.

4. YIELD

- (i) Indication of yield: [•] per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price for the period from the Issue Date until the First Reset Date. It is not an indication of future yield.

5. REASONS FOR THE OFFER

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

6. ESTIMATE OF THE TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

It is estimated that the total expenses to be incurred in relation to the admission to trading of the Notes will be: £[•].

7. ESTIMATED NET PROCEEDS SGD [•]

OPERATIONAL INFORMATION

8. ISIN: [•]
9. Common Code: [•]
10. FISN: [•], as may be updated on the website of the Association of National Numbering Agencies ("ANNA")

- | | |
|--|---|
| 11. CFI Code: | [•], as may be updated on the website of the ANNA |
| 12. CUSIP Number: | Not Applicable |
| 13. New Global Note: | Not Applicable |
| 14. New Safekeeping Structure: | Not Applicable |
| 15. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | None |
| 16. Settlement procedures: | Eurobond |
| 17. Name and Address of Initial Paying Agent(s): | HSBC Bank plc, 8 Canada Square, London E14 5HQ |
| 18. Additional Paying Agent(s) (if any): | None |
| 19. Calculation Agent: | HSBC Bank plc |
| 20. City in which specified office of Registrar to be maintained:
(Condition 11) | London |
| 21. CPDI Notes: | Not Applicable |

DISTRIBUTION

- | | |
|--|---|
| 22. Method of distribution: | Syndicated (for settlement procedures see item 16 above) |
| 23. (i) If syndicated, names of Relevant Dealer/Lead Manager(s): | <i>Sole Global Coordinator and Bookrunner</i>
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

<i>Joint Bookrunners</i>
DBS Bank Ltd.
United Overseas Bank Limited |
| (ii) If syndicated, names of other Managers: | <i>Co-Managers</i>
Bank of China Limited, Singapore Branch
Industrial and Commercial Bank of China Limited, Singapore Branch
Malayan Banking Berhad |
| (iii) Date of Subscription Agreement: | [•] 2023 |
| (iv) Stabilisation Manager(s) (if any): | The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch |
| 24. If non-syndicated, name of Relevant Dealer: | Not Applicable |

BENCHMARKS

- | | |
|---|---|
| 25. Details of benchmarks administrators and registration under UK Benchmarks Regulation: | The SORA-OIS rate is based on interest rate swap transactions where a fixed rate is swapped against a pre-determined published index of a daily overnight |
|---|---|

reference rate (i.e. SORA in this instance). SORA is administered by the Monetary Authority of Singapore ("**MAS**"). As at the date hereof, MAS does not appear in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation. As far as the Issuer is aware, as at the date hereof SORA-OIS does not fall within the scope of the UK Benchmarks Regulation.

SUBSCRIPTION AND SALE

The section entitled "*Subscription and Sale*" on pages 155-160 of the Base Prospectus shall be incorporated into and form part of this Prospectus.

TAXATION

The section entitled "Taxation" on pages 140-152 of the Base Prospectus shall be incorporated into and form part of this Prospectus, as supplemented to include the following sub-section relating to the Notes:

Singapore

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 Prospectus 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. 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 Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. 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 Notes 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 Notes 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 Notes, 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 Managers and any other persons involved in the Programme or the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Generally, interest and other payments derived by a holder of the Notes 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 Notes 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 Notes qualify as "qualifying debt securities" as discussed below.

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 1947 of Singapore ("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 22 per cent. prior to the year of assessment 2024, and will be increased to 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.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (i) interest from debt securities derived on or after 1 January 2004;
- (ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

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 "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

"break cost", 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, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"prepayment 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, the amount of which is determined by the terms of the issuance 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.

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

In addition, if more than half of the Notes are distributed by any or any combination of financial institutions in Singapore with the Financial Sector Incentive (Bond Market), Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) tax incentives (as defined in the ITA), the Notes 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 Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Notes 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 Notes 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), prepayment fee, redemption premium and break cost (collectively, the **"Specified Income"**) from the Notes 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 Notes 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 Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require), Specified Income from the Notes 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 Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption

premium or break cost (i.e. the Specified Income) derived from the Notes 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 Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require,

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

Following the Singapore Budget Statement 2023, it was announced that the scope of Specified Income under the qualifying debt securities scheme will be streamlined and clarified such that it includes all payments in relation to early redemption of a qualifying debt security. Further details will be provided by the MAS by 31 May 2023.

However, notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of the Notes, the Notes are issued to fewer than four (4) persons and 50 per cent. or more of the issue of such Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Notes would not qualify as "qualifying debt securities"; and
- (B) even where the Notes are "qualifying debt securities", if, at any time during the tenure of such Notes, 50 per cent. or more of the issue of such Notes 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 Notes held by:
- (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Notes 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, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from the Notes 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 Notes 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 Notes 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, prepayment fee, redemption premium or break cost) derived from the Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes 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 Notes 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 Notes, 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

Notes 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 entitled "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 entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 - Financial Instruments".

Holders of the Notes 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 Notes.

Estate Duty

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

GENERAL INFORMATION

1. The continuation of the Programme and the issue of Notes under the Programme have been duly authorised pursuant to a resolution of the board of directors of the Issuer passed on 17 February 2022.
2. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN), the common code, the Financial Instrument Short Name (FISN) and Classification of Financial Instruments Code (CFI Code) for the Notes are [•], [•], [•] and [•] respectively. The address of Euroclear Bank SA/NV is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream Banking S.A. is 42 Avenue JF Kennedy, L-1855 Luxembourg.
3. In relation to the Issuer, any transfer of, or payment in respect of, a Note or Coupon involving the government of any country which is at the relevant time the subject of United Nations sanctions, any person or body resident in, incorporated in or constituted under the laws of any such country or exercising public functions in any such country or any person or body controlled by any of the foregoing or by any person acting on behalf of the foregoing may be subject to restrictions pursuant to such sanctions.
4. The following documents may be inspected during normal business hours at the registered office of the Issuer or at the website set out by each relevant document listed below:
 - (i) the up to date memorandum and articles of the Issuer (website: www.hsbc.com (please follow links to 'Investors', 'Shareholder Information', 'Annual General Meeting'));
 - (ii) the Trust Deed (including the Forms of Notes, Coupons, Talons and Receipts) (website: www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes')); and
 - (iii) the 2022 Form 20-F, the 2022 Annual Report and Accounts and the 2021 Annual Report and Accounts (website: www.hsbc.com (please follow links to 'Investors', 'Results and Announcements', 'All Reporting'))).
5. The Notes are intended to be admitted to listing on the Official List of the FCA and admitted to trading on the Main Market of the London Stock Exchange and will be so admitted to listing and trading upon submission to the FCA and the London Stock Exchange of the Prospectus and any other information required by the FCA and/or the London Stock Exchange, subject in each case to the issue of the Notes. Prior to listing and admittance to trading of the Notes, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the date of the transaction.
6. 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 2022.
7. Save as disclosed in Note 28 (*Provisions*) and in Note 35 (*Legal proceedings and regulatory matters*) on pages 392 to 393, and on pages 405 to 407, respectively, of the 2022 Annual Report and Accounts (incorporated by reference herein), there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against the Issuer or any of its subsidiary undertakings of which the Issuer is aware) which may have during the 12 months prior to the date of this Prospectus, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.
8. The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on liability (monetary or otherwise) of the Auditors or such other expert.
9. The Issuer will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal office hours, free of charge, upon oral or written request, a

copy of this Prospectus and any document incorporated by reference herein. Written or oral requests for such documents should be directed to the specified office of any Paying Agent.

10. This Prospectus and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Final Terms and supplements' and/or 'Issuance programmes'). For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.
11. The Legal Entity Identifier (LEI) code of the Issuer is MLU0ZO3ML4LN2LL2TL39.

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