ADDENDUM

Non-collateralised Structured Products

Addendum to Base Listing Document relating to Hong Kong Listed Structured Products

to be issued by

HSBC

The Hongkong and Shanghai Banking Corporation Limited

(incorporated in Hong Kong with limited liability under the Companies Ordinance of Hong Kong)

The Hongkong and Shanghai Banking Corporation Limited (the "**Bank**", "**Issuer**", "**we**" or "**us**") has published this document in respect of call/put warrants on single equities, call/put warrants on indices, call/put warrants on unit funds (together the "**Warrants**"), inline warrants on single equities and inline warrants on indices (together the "**Inline Warrants**"), callable bull/bear contracts on single equities, callable bull/bear contracts on indices and callable bull/bear contracts on unit funds (together the "**CBBCs**" and, together with the Warrants, the Inline Warrants and any other structured products approved by The Stock Exchange of Hong Kong Limited (the "**stock exchange**") from time to time, the "**structured products**") to be issued by us in series (each a "**series**") from time to time and listed on the stock exchange.

Hong Kong Exchanges and Clearing Limited and the stock exchange and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to us and the structured products. We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in the base listing document dated 6 April 2020 (the "**base listing document**") and this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This document supplements and amends the base listing document and should be read in conjunction with the base listing document. Additional terms relating to each series of our structured products will be set out in a launch announcement and supplemental listing document (each a "**launch announcement and supplemental listing document**") which will be supplemental to, and should be read in conjunction with, the base listing document and this document.

The structured products involve derivatives. You should not invest in the structured products unless you fully understand and are willing to assume the risks associated with the structured products. The structured products are complex products. You should exercise caution in relation to them. You are warned that the price of our structured products may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. Prospective purchasers should therefore ensure that they understand the nature of our structured products and carefully study the risk factors set out in the base listing document and the relevant launch announcement and supplemental listing document and, where necessary, seek professional advice, before they invest in any of our structured products. The Issuer is part of a large global financial institution and has many financial products and contracts outstanding at any given time.

The structured products constitute general unsecured contractual obligations of the Issuer and of no other person and will rank equally among themselves and with all of the Issuer's other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the structured products, you are relying upon the Issuer's creditworthiness and have no rights under the structured products against (a) any company which has issued the underlying asset, (b) the trustee or the manager of the underlying fund, or (c) the index compiler of any underlying index or any other person. If the Issuer becomes insolvent or defaults on its obligations under the structured products, you may not be able to recover all or even part of the amount due under the structured products (if any).

Dated 14 July 2020

IMPORTANT

If you are in any doubt as to any of the contents of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

This document is supplemental to, and should be read in conjunction with, the base listing document. You should read the base listing document, this document, together with any other addenda to the base listing document and the relevant launch announcement and supplemental listing document, before deciding whether to invest in the structured products.

Save as modified and supplemented in this document, the information contained in the base listing document is up-to-date and is true and accurate as at the date of this document. Please note that the base listing document may from time to time be further amended or updated. If you intend to invest in our structured products, you should ask us if any additional addenda or any updated base listing document has been issued.

We cannot give you investment advice. You must decide for yourself whether our structured products meet your investment needs, and obtain professional advice if appropriate. This document is not intended to be, and should not be considered as, a recommendation or advice by us or any of our affiliates that you should purchase any of our structured products, and you must make your own independent investigation of our financial condition and affairs and your own appraisal of our creditworthiness.

We undertake during the period in which our structured products are listed on the stock exchange to make the following documents available to you for inspection at the office of The Hongkong and Shanghai Banking Corporation Limited, which is presently at HSBC Main Building, 1 Queen's Road Central, Hong Kong:

(a) a copy of the base listing document, this document and any other addenda to the base listing document (both the English version and the Chinese translation);

(b) a copy of our latest publicly available annual report (both the English version and the Chinese translation); and

(c) a copy of the consent letter of our auditor referred to in the base listing document.

本公司保證下列文件可於本公司的結構性產品在聯交所上市的期間內在香港上海滙豐銀行有限公司辦事處(現時地址為香港皇后大道中1號滙豐總行大廈)查閱：

(a) 基本上市文件、本文件及基本上市文件的任何其他增編(英文版本及中文譯本)；

(b) 本公司最近期可供查閱的年報(英文版本及中文譯本)；及

(c) 基本上市文件所述本公司核數師的同意函件。

Our structured products are not available to any person that is (a) a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended or (b) a "U.S. person" for purposes of the *Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations*, published by the CFTC and available at 78 Fed. Reg. 45292 (July 26, 2013), or any subsequent guidance issued by the CFTC (a "**CFTC U.S. Person**").

What are our credit ratings?

Our long-term debt ratings are:

Rating agency	*Rating as of the day immediately preceding the date of this document*
Moody's Investors Service, Inc.	Aa3 (Negative Outlook)
S&P Global Ratings	AA- (Stable Outlook)

Rating agencies usually receive a fee from the companies that they rate. When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

– a credit rating is not a recommendation to buy, sell or hold the structured products;

– ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;

– a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the day immediately preceding the date of this document are for reference only. Any downgrading of our ratings could result in a reduction in the value of the structured products;

– a credit rating is not an indication of the liquidity or volatility of the structured products; and

– a credit rating may be downgraded if the credit quality of the Issuer declines.

Our structured products are not rated.

Our credit ratings are subject to change or withdrawal at any time within each rating agency's sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to our ratings from time to time.

Are we subject to any litigation?

Except as set out in this document, the launch announcement and supplemental listing document and the base listing document, there are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which may have, or have had in the previous 12 months, a significant effect on us and our subsidiaries.

Has our financial position changed since last financial year-end?

Except as set out in the paragraphs headed "Risks relating to the impact of COVID-19" in the section headed "Supplemental Risk Factors" of this document and Exhibit A and Exhibit B of the base listing document, there has been no material adverse change in our financial or trading position or prospects or indebtedness since 31 December 2019.

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SUPPLEMENTAL RISK FACTORS

The following risks specific to COVID-19 are included as an additional risk factor in the paragraph headed "General Risk Factors relating to us and our Structured Products" of the section headed "Risk Factors" at page 8 of the base listing document.

"Risks relating to the impact of COVID-19

The COVID-19 outbreak has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. There are a number of factors associated with the outbreak and its impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institution groups such as HSBC Holdings plc together with its subsidiary undertakings and the operating subsidiaries of such groups (such as the Bank and its subsidiaries (the "**Bank Group**")).

The COVID-19 outbreak has caused disruption to the customers, suppliers and staff globally of HSBC Holdings plc together with its subsidiary undertakings, including in Hong Kong and mainland China. Most jurisdictions in which the Bank Group operates have implemented restrictions on the movement of their respective populations, with a resultant significant impact on economic activity in those jurisdictions. These restrictions are being determined by the governments of individual jurisdictions, including through the implementation of emergency powers. The impacts of these restrictions, including the subsequent lifting of restrictions, may vary from jurisdiction to jurisdiction. It remains unclear how this will evolve in the future and the Bank Group continues to monitor the situation closely.

In many of the jurisdictions in which the Bank Group operates, the Bank Group has initiated market-specific measures to support its personal and business customers through these challenging times, including mortgage assistance, payment holidays, the waiving of certain fees and charges, and liquidity relief for businesses facing market uncertainty and supply chain disruption. The Bank Group is also working closely with governments and supporting relief schemes that focus on the parts of the economy most impacted by Covid-19.

The actions taken by the various governments and central banks across Asia provide an indication of the potential severity of the downturn and post recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and may persist for a prolonged period. An immediate financial impact of the outbreak is an increase in expected credit losses ("**ECL**") and other credit impairment charges driven by a change in the economic scenarios used to calculate ECL. The outbreak has led to weakening economic projections in many of the jurisdictions in which the Bank Group operates and the probability of a more adverse economic scenario for at least the short term is substantially higher than at December 31, 2019. Furthermore, ECL will arise from other parts of the Bank Group's business impacted by the disruption to customers' supply chains. The impact will vary by sectors of the economy, with heightened risk to the oil and gas, transport and discretionary consumer sectors being observed during the outbreak. The impact of the outbreak on the long-term prospects of businesses in these sectors is uncertain and may lead to significant ECL charges on specific exposures, which may not be fully captured by ECL modelling techniques. In addition, in times of crisis, fraudulent activity is often more prevalent, leading to potentially significant ECL charges.

Should the COVID-19 outbreak continue to cause disruption to economic activity globally (and particularly in the jurisdictions where the Bank Group operates) in the future, there could be further adverse impacts on the Bank Group's income due to lower lending and transaction volumes and lower wealth and insurance manufacturing revenue due to equity markets volatility. Lower interest rates globally could negatively impact net interest income. There could also be adverse impacts on other assets, such as the Bank Group's investment in Bank of Communications Co., Limited.

The Covid-19 outbreak could also have material impacts on capital and liquidity. Potential risks include downward customer credit rating migration, which could negatively impact the Bank Group's risk-weighted assets and capital position, and potential liquidity stress due, among other factors, to increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks have put in place to support funding and liquidity. Central banks in some markets have also initiated a series of capital measures, including the reduction of certain regulatory capital buffers, to support the ability of banks to supply credit to businesses and households through this period of economic disruption.

Central bank and government actions and support measures taken in response to the COVID-19 outbreak may create restrictions in relation to capital. These actions and support measures may limit the Bank's management's flexibility in managing the business and taking action in relation to capital distribution and capital allocation.

Any and all such events mentioned above could have a material adverse effect on the Bank Group's business, financial condition, results of operations, liquidity, capital position and credit ratings."

TAXATION

The following paragraphs shall replace the paragraphs headed "**UNITED STATES OF AMERICA**" at pages 115 to 116 of the base listing document.

"UNITED STATES OF AMERICA

The following section on "U.S. Foreign Account Tax Compliance Act" is applicable to all investors. If you are uncertain about the tax consequences of investing in our structured products, you should consult your own tax adviser.

U.S. Foreign Account Tax Compliance Act

We and other financial institutions through which payments on the structured products are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after the second anniversary of the date on which final U.S. Treasury Regulations defining the term "foreign passthru payments" are published with the U.S. Federal Register in respect of (i) any structured products characterised as obligations for U.S. federal tax purposes that are issued after (or are materially modified after) the date that is six months after the date on which final U.S. Treasury Regulations defining the term "foreign passthru payments" are filed with the U.S. Federal Register and (ii) any structured products not characterised as obligations for U.S. federal tax purposes, whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") or similar law implementing an intergovernmental approach to FATCA.

In addition, we and other financial institutions through which payments on the structured products are made may be required to withhold U.S. tax pursuant to FATCA at a rate of 30 per cent. on payments made in respect of any structured products characterised as obligations for U.S. federal tax purposes that are issued after (or are materially modified after) the date that is six months after the date on which such products are treated as giving rise to "dividend equivalent" payments as described below under "Legislation Affecting Dividend Equivalent Payments.".

FATCA withholding tax may apply to an investor or to any non-U.S. financial institution through which payment on the structured products is made if the Investor or non-US financial institution does not fulfill its obligations under FATCA, including if (i) that investor (unless otherwise exempt from FATCA) does not provide information or consent to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer or (ii) that non-US financial institution does not become a Participating Foreign Financial Institution (as defined by FATCA) by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise deemed FATCA compliant or exempt from FATCA withholding tax. Structured product holders therefore may receive less settlement amount than expected. We are not required to pay any additional amounts with respect to amounts so withheld.

Each holder of structured products should consult its own tax advisor as to the application of FATCA to an investment in the structured products.

Further information on FATCA may be found at *https://www.irs.gov/corporations* under the section headed "Foreign Account Tax Compliance Act FATCA". Any information appearing on such website does not form part of this base listing document.

The following section on "Legislation Affecting Dividend Equivalent Payments" is applicable to structured products that are linked to U.S. equities and to all investors of such structured products.

Legislation Affecting Dividend Equivalent Payments

U.S. Treasury Regulations under Section 871(m) of the U.S. Internal Revenue Code require withholding of up to 30% (depending on whether an income tax treaty or other exemption applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments to the extent that such payments are contingent upon or determined by reference to U.S.-source dividends. These rules differentiate between "Delta-One" and "Non-Delta-One" transactions. This withholding should generally apply to structured products, but should not apply to Non-Delta-One structured products issued before 1 January 2023 (unless the Non-Delta-One structured products are "significantly modified" on or after 1 January 2023). Significant aspects of the application of these regulations to the structured products are uncertain. Payments on structured products, other than Non-Delta-One structured products that are issued before 1 January 2023, that are treated by the applicable Treasury regulations as being contingent upon, or determined by reference to, any U.S. source dividends may be subject to this withholding.

Withholding in respect of dividend equivalents amounts will generally be required when the relevant payment is made on a structured product or upon the date of maturity, lapse or other disposition by a non-U.S. investor of the structured products. Structured products may be treated as paying dividend equivalent amounts to the extent U.S. source dividends are expected to be paid on the underlying equity securities, even if no corresponding payment on the structured product is explicitly linked to such dividends and even if, upon maturity, lapse or other disposition by the non-U.S. investor, the investor realizes a loss. The regulations provide exceptions to withholding, in particular for certain instruments linked to certain broad-based indices. In the event any withholding would be required pursuant to Section 871(m) with respect to payments on the structured products, no person will be required to pay additional amounts as a result of the withholding. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) and the applicable regulations to the structured products."

SUPPLEMENTAL INFORMATION ABOUT THE ISSUER

Martin Mrosek has become one of our authorised representatives of our listed structured products programme in replacement of Thomas de Garidel-Thoron with effect from 12 May 2020.

Issuer

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