

HSBC HOLDINGS PLC
Form 6-K
April 03, 2013

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of

the Securities Exchange Act of 1934

For the month of March
HSBC Holdings plc

42nd Floor, 8 Canada Square, London E14 5HQ, England

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes..... No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-.....).

The following regulated information, disseminated pursuant to DTR6.3.5, comprises the scrip dividend circular for the fourth interim dividend for 2012 which was sent to shareholders of HSBC Holdings plc on 3 April 2013. A copy of the scrip dividend circular is available at www.hsbc.com/dividends.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about this document or as to the action you should take, you should consult a stockbroker, solicitor, accountant or other appropriate independent professional adviser.

If you sold or transferred all or some of your ordinary shares on or before 19 March 2013, but those shares are included in the number shown in box 1 on your Form of Election, Entitlement Advice or Dividend Notification email for the fourth interim dividend for 2012, you should, without delay, consult the stockbroker or other agent through whom the sale or transfer was effected for advice on the action you should take.

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3 April 2013

Dear Shareholder

SCRIP DIVIDEND SCHEME AND PAYMENT OF DIVIDENDS IN UNITED STATES DOLLARS, STERLING OR HONG KONG DOLLARS

On 4 March 2013, your Directors declared a fourth interim dividend for 2012 of US\$0.18 per ordinary share, payable on 8 May 2013. You may elect to receive:

1. a scrip dividend of new shares at a 'Market Value' of US\$10.6452 (£7.0182) per ordinary share;
2. a cash dividend in United States dollars, sterling, or Hong Kong dollars; or
3. a combination of cash and scrip dividend.

For illustration, using the exchange rates on 26 March 2013, the fourth interim dividend per ordinary share in sterling and Hong Kong dollars would have been approximately £0.1187 and HK\$1.3967. The precise amounts which will be payable per ordinary share in either sterling or Hong Kong dollars on 8 May 2013 will be converted from United States dollars using the exchange rates on 29 April 2013 as explained on page 3.

Please read this letter carefully.

In the absence of other instructions the dividend will be paid to you as described below. If you intend to give alternative instructions on how you wish to receive this dividend they must be received by the Company's Registrars by close of business on 25 April 2013. As an alternative to returning a printed Form of Election to make an election or writing to the Registrars to revoke a standing instruction for new shares, you may give instructions electronically through the Registrars' Investor Centre, at the appropriate website address given on page 12. Instructions must be received by close of business on 25 April 2013. Before using this facility you will need to register with the Registrars' Investor Centre and you should do so without delay so that the formalities can be completed in time for you to give your instructions for this dividend by close of business on 25 April 2013. The use of the Registrars' Investor Centre to give your dividend instructions to the Registrars is referred to throughout this document as giving an Electronic Instruction. If you provide an email address to receive electronic communications from HSBC we will send notifications of your dividend entitlements by email. If you have not given a standing instruction to receive new shares you will, in addition to the email notification (the "Dividend Notification email"), be sent a printed Form of Election until such time as you register with the Registrars' Investor Centre and are able to give your instructions electronically.

HSBC Holdings plc

8 Canada Square, London E14 5HQ, United Kingdom Web: www.hsbc.com

Registered in England: number 617987. Registered Office: 8 Canada Square, London E14 5HQ Incorporated in England with limited liability

1. Scrip dividend

If you have already given standing instructions to receive new shares under the Scrip Dividend Scheme, you will have been sent an Entitlement Advice. You need take no further action if you wish to receive the number of new shares shown on the Entitlement Advice. If you do not wish to receive the maximum entitlement to new shares, a letter revoking your standing instructions must be received by the appropriate Registrars, at the address given on page 12, or an Electronic Instruction must be given, by close of business on 25 April 2013. If you wish to receive new shares in respect of only part of this dividend, or if you wish to receive your cash dividend in any combination of United States dollars, sterling and Hong Kong dollars, please ask the Registrars for a Form of Election in time to return it to them by close of business on 25 April 2013, or give an Electronic Instruction by that time.

If you have not previously given standing instructions to receive new shares under the Scrip Dividend Scheme and you wish to receive new shares in lieu of the cash dividend, you should either complete and sign a printed Form of Election and return it to the appropriate Registrars at the address given on page 12, or give an Electronic Instruction, by close of business on 25 April 2013. If you take no action, you will receive the dividend in cash in the currency indicated on your Form of Election or Dividend Notification email.

We will calculate your entitlement to new shares using a 'Market Value' of US\$10.6452 (£7.0182) for each new share. An explanation of the calculation of 'Market Value' and the basis of allotment of new shares is set out in paragraphs 2 and 3 of the Appendix to this letter. Since fractions of shares cannot be issued, if you have elected to receive new shares in relation to all or part of your holding of ordinary shares, any residual dividend entitlement will be carried forward in United States dollars and added to the next dividend. Residual dividend entitlements carried forward will not bear interest.

The scrip dividend alternative will enable shareholders to increase their holdings of shares without incurring dealing costs or stamp duty. To the extent that shareholders elect to receive new shares, the Company will benefit by retaining cash which would otherwise be payable by way of dividend. The Appendix to this letter sets out details of the Scrip Dividend Scheme and provides a general outline of the tax considerations in the United Kingdom and overseas.

Please read the next section regarding the payment of dividends in cash, even if you wish to receive your dividend in the form of new shares.

2. Cash dividend

If your shares were recorded on the Hong Kong Overseas Branch Register at close of business on 21 March 2013, you will automatically receive any dividends payable to you in cash in Hong Kong dollars, unless you have previously elected to receive payment in United States dollars or sterling.

If your shares were recorded on the Principal Register at close of business on 22 March 2013, you will automatically receive any dividends payable to you in cash in sterling, unless you have previously elected to receive payment in United States dollars or Hong Kong dollars. However, if your address is in the United States you will automatically receive any dividends payable to you in cash in United States dollars, unless you have previously elected to receive payment in Hong Kong dollars or sterling.

If your shares were recorded on the Bermuda Overseas Branch Register at close of business on 22 March 2013, you will automatically receive any dividends payable to you in cash in United States dollars, unless you have previously elected to receive payment in Hong Kong dollars or sterling.

The currency in which any dividends payable to you in cash are to be paid is stated on your Form of Election, Entitlement Advice or Dividend Notification email. If you wish to give standing instructions to receive such dividends in one of the other available currencies (United States dollars, sterling or Hong Kong dollars), you should either complete the One Currency Election on page 2 of a printed Form of Election or Entitlement Advice, or give an Electronic Instruction. Completion of the One Currency Election on the reverse of a printed Form of Election or Entitlement Advice will not revoke a standing instruction to receive the maximum entitlement to new shares under the Scrip Dividend Scheme.

3. Combination of cash and scrip dividend

If you wish to receive this dividend in a combination of the available currencies or in a combination of cash and new shares, you must either complete Section B on page 1 of the Form of Election or give an Electronic Instruction. If you have received an Entitlement Advice and not a Form of Election and you wish to receive your dividend in cash, in any combination of the available currencies, or in a combination of cash and new shares, you should either write to the appropriate Registrars at the address given on page 12 to revoke your standing instructions for scrip dividends and to request a Form of Election in time to return it to them by close of business on 25 April 2013, or give an Electronic Instruction by this time.

Dividends payable in sterling or Hong Kong dollars on 8 May 2013 will be converted from United States dollars at the forward exchange rates quoted by HSBC Bank plc in London at or about 11.00 am on 29 April 2013. The exchange rates will be announced to the London, Hong Kong, New York, Paris and Bermuda stock exchanges.

Dividend warrants and, where applicable, new share certificates are expected to be mailed to shareholders entitled thereto at their risk on or about 8 May 2013.

Whether you elect to receive your dividends in cash or in shares, it is recommended that you provide payment instructions either through the Registrars' Investor Centre or by completing and returning the Dividend Payment Instruction on page 2 of a printed Form of Election or Entitlement Advice, so that any dividends payable to you in cash can be sent to your bank account(s) as you require. It is not necessary for you to provide payment instructions if you have already given instructions for cash dividends to be sent direct to your bank account and you do not wish to change those instructions.

Yours sincerely

R G Barber
Group Company Secretary

APPENDIX SCRIP DIVIDEND SCHEME ('THE SCHEME')

1. Terms

The Scheme, authority for which shareholders renewed at the Annual General Meeting on 25 May 2012 for a further five-year period, will apply in respect of the fourth interim dividend for 2012.

As stated in the announcement of the fourth interim dividend for 2012 made on 4 March 2013, any person who had acquired ordinary shares registered on the Hong Kong Overseas Branch Register should have lodged the share transfer with the Hong Kong Overseas Branch Registrar before 4.00 pm on 21 March 2013 in order to receive the dividend.

Any person who had acquired ordinary shares registered on the Principal Register in the United Kingdom or on the Bermuda Overseas Branch Register should have lodged the share transfer with the Principal Registrar or the Bermuda Overseas Branch Registrar before 4.00 pm on 22 March 2013 in order to receive the dividend.

Holders of ordinary shares on the Hong Kong Overseas Branch Register as at the close of business in Hong Kong on 21 March 2013 or on the Principal Register as at the close of business in England on 22 March 2013 or on the Bermuda Overseas Branch Register as at the close of business in Bermuda on 22 March 2013 (other than those shareholders referred to in paragraph 6) will be able to elect to receive new shares in respect of all or part of their holdings of shares as an alternative to receiving the fourth interim dividend for 2012 of US\$0.18 per ordinary share in cash.

The new ordinary shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing issued ordinary shares in all respects.

2. Market Value

The 'Market Value' is the average of the middle market quotations for the ordinary shares on the London Stock Exchange, as derived from the Daily Official List, for the five business days beginning on 20 March 2013. The Market Value of £7.0182 converted into United States dollars using the exchange rate quoted by HSBC Bank plc in London at 11.00 am on 26 March 2013 is US\$10.6452 for each new share.

3. Basis of allotment and examples

Your entitlement to new shares is based on:

- (a) the Market Value (as defined in paragraph 2 above) of US\$10.6452 per share;
- (b) the cash dividend of US\$0.18 per share; and
- (c) the number of ordinary shares held by you on the record date being 21 March 2013 on the Hong Kong Overseas Branch Register and 22 March 2013 on the Principal Register or the Bermuda Overseas Branch Register.

The formula used for calculating your entitlement is as follows:

Number of shares held at the record date x cash dividend per share + any residual dividend entitlement brought forward = maximum dividend available for share election

Maximum dividend
available = maximum number of new shares
Market Value (rounded down to the nearest whole number)

You may elect to receive new shares in respect of all or part of your holding of ordinary shares. No fraction of a share will be issued.

If you elect to receive the maximum number of new shares in lieu of your dividend, a residual dividend entitlement may arise, representing the difference between the total Market Value of the new shares and the maximum dividend available on your shareholding. This residual dividend entitlement will be carried forward in United States dollars (without interest) to the next dividend (see Example 1).

Example 1

If you have 1,000 ordinary shares and a residual dividend entitlement brought forward of US\$4.00, your maximum entitlement will be calculated as follows:

| | |
|--|------------|
| Your cash dividend (1,000 x US\$0.18) | US\$180.00 |
| Plus residual dividend entitlement brought forward | US\$ 4.00 |
| Maximum dividend available | US\$184.00 |

Number of new shares =

$$\frac{\text{US\$184.00}}{\text{US\$10.6452}} = 17.2848 = 17 \text{ new shares}$$

| | |
|--|------------|
| Total Market Value of 17 new shares = 17 x US\$10.6452 | US\$180.97 |
| Plus residual dividend entitlement to be carried forward (US\$184.00 - US\$180.97) | US\$ 3.03 |

US\$184.00

If you elect to receive only part of your dividend as new shares, you will receive the balance in cash. Any residual dividend entitlement relating to that portion of your holding in respect of which you have elected to receive a scrip dividend of new shares will be carried forward in United States dollars (without interest) to the next dividend (see Example 2).

Example 2

If you have 1,000 ordinary shares and a residual dividend entitlement brought forward of US\$4.00 your maximum entitlement will be 17 new shares, as shown in Example 1. Should you wish to elect for new shares on only 600 of your existing 1,000 ordinary shares, you should insert the number 600 in the box in Section B (i) of a printed Form of Election or, if giving an Electronic Instruction, in the relevant box in the Registrars' Investor Centre. The election for new shares, the cash balance due to you, and the residual entitlement to be carried forward to your next dividend, would be calculated as follows:

| | |
|--|------------|
| Your cash dividend (1,000 x US\$0.18) | US\$180.00 |
| Plus residual dividend entitlement brought forward | US\$ 4.00 |
| Maximum dividend available | US\$184.00 |

| | |
|--|------------|
| 600 existing shares on which you wish to receive new shares (600 x US\$0.18) | US\$108.00 |
| Plus residual dividend entitlement brought forward | US\$ 4.00 |
| Total available to elect for new shares | US\$112.00 |

Number of new shares =

$$\frac{\text{US\$112.00}}{\text{US\$10.6452}} = 10.5212 = 10 \text{ new shares}$$

| | |
|---|------------|
| US\$10.6452 | |
| Total Market Value of 10 new shares = 10 x | |
| US\$10.6452 | US\$106.46 |
| Plus residual entitlement to be carried forward | |
| (US\$112.00 - US\$106.46) | US\$ 5.54 |
| Plus balance of maximum dividend available to | |
| be paid in cash | |
| (US\$184.00 - US\$112.00) | US\$ 72.00 |
| Maximum dividend available | US\$184.00 |

In addition to the 10 new ordinary shares, you will receive a cash balance of US\$72.00 and US\$5.54 will be carried forward in United States dollars (without interest) to your next dividend. The cash balance will be paid to you in the currency indicated in the Dividend Notification email or in box 4 on the Form of Election, unless you give instructions to the contrary by indicating the currency/ currencies you wish to receive in the boxes in sections B (ii) to B (iv) of a printed Form of Election or, if giving an Electronic Instruction, in the relevant boxes in the Registrars' Investor Centre. An example of how Section B of a printed Form of Election might be completed is given on page 6.

Section B Complete this section with the relevant numbers of shares if you wish to receive your dividend in cash in a combination of the available currencies or in a combination of cash and new shares

I/We wish to receive my/our dividend in shares and/or in cash, based on the number of

ordinary shares shown in box 1 above, as follows:

| | | | | |
|--|---|-----|------|--------|
| in shares (i) | Number of shares on which I wish to receive new shares | | 600 | shares |
| in cash (ii) | Number of shares on which I wish to receive cash in sterling | GBP | 134 | shares |
| (iii) | Number of shares on which I wish to receive cash in US dollars | USD | 133 | shares |
| (iv) | Number of shares on which I wish to receive cash in Hong Kong dollars | HKD | 133 | shares |
| Total number of existing shares (the sum of (i) to (iv)) | | | 1000 | shares |

If you wish to receive a specific number of new shares, you may calculate the number of existing shares on which you need to elect as follows:

Number of new shares you wish to receive x Market Value = Number of shares on which to elect to receive new shares

Cash dividend of US\$0.18 per share (rounded up to the nearest whole number)

4. Payment of residual dividend entitlements

Residual dividend entitlements will be payable in cash (without interest) if, at any time, you:

- dispose of your entire holding; or
- receive the full cash dividend on the whole of your holding; or
- revoke your standing instructions to receive scrip dividends; or
- so request in writing to the appropriate Registrars.

5. How to participate in the Scheme

(a) If you have already given standing instructions to receive new shares under the Scheme,

you will have been sent an Entitlement Advice. You need take no further action unless you wish to revoke your standing instructions or to elect to receive a smaller number of new shares. If you do not revoke your standing instructions by 25 April 2013, you will receive the number of new ordinary shares shown in box 4 on the Entitlement Advice.

If you do not wish to receive new shares, a letter revoking the standing instructions to receive scrip dividends must be received by the Registrars at the appropriate address given on the Entitlement Advice, or an Electronic Instruction must be received, by close of business on 25 April 2013. A cash dividend will then be paid on your entire holding in the currency shown in box 6 on the Entitlement Advice. If, however, you wish to receive new shares in respect of only part of this dividend, or if you wish to receive any dividend payable to you in cash in a currency/currencies other than that shown in box 6 on the Entitlement Advice, please also ask the Registrars for a Form of

Election in time to return it to them, or give an Electronic Instruction, by close of business on 25 April 2013. In any event, if you revoke your standing instructions you will receive, for any future dividends to which the Scheme applies, a printed Form of Election or Dividend Notification email and, if you register with the Registrars' Investor Centre, you will be able to give an Electronic Instruction.

(b) If you have not previously given standing instructions to receive new shares under the Scheme and you wish to receive new shares in lieu of a cash dividend on this occasion only, an election to participate in the Scheme must be made on a printed Form of Election or by giving an Electronic Instruction through the Registrars' Investor Centre, each of which should be completed after reading this letter. If you wish to elect to receive the maximum entitlement

to new shares for this dividend, you may do so by inserting an 'X' in the box in Section A (i) of a printed Form of Election or by electing for new shares when giving an Electronic Instruction. If you wish to elect to receive a smaller number of shares than the maximum entitlement, you should complete Section B of the printed Form or make the appropriate election when giving an Electronic Instruction. To be valid in respect of the dividend payable on 8 May 2013, a printed Form of Election must be completed correctly, signed and received by the Registrars

at the address given on page 2 of the Form, or an Electronic Instruction must be received, by close of business on 25 April 2013.

(c) If you have not previously given standing instructions to receive new shares under the Scheme and you wish to receive the maximum entitlement to new shares automatically for this and for subsequent dividends to which the

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Scheme applies, you may do so by inserting an 'X' in the box in Section A (ii) of a printed Form of Election or by making the appropriate election when giving an Electronic Instruction. To be valid in respect of the dividend payable on 8 May 2013 a Form of Election must be completed correctly, signed and received by the Registrars at the address given on page 2 of the Form, or an Electronic Instruction must be received, by close of business on 25 April 2013.

Completing Section A (ii) of the printed Form or making the appropriate election when giving an Electronic Instruction will ensure that you receive your maximum entitlement to new shares offered in lieu of the fourth interim dividend for 2012 payable on 8 May 2013 and for subsequent dividends. Your standing instructions may be revoked by giving signed notice in writing to the appropriate Registrars or by giving an Electronic Instruction on or before the final date for receipt of printed Forms of Election or Electronic Instructions in respect of that dividend. Your standing instructions will lapse automatically if at any time you cease to hold any ordinary shares.

ON THE ASSUMPTION THAT NO RESIDUAL DIVIDEND ENTITLEMENT IS BROUGHT FORWARD, SHAREHOLDERS WITH A HOLDING AS AT THE RECORD DATE OF FEWER THAN 60 ORDINARY SHARES WHO HAVE GIVEN STANDING INSTRUCTIONS TO RECEIVE SCRIP DIVIDENDS, AND SHAREHOLDERS WHO GIVE AN ELECTION TO RECEIVE SCRIP DIVIDENDS ON FEWER THAN 60 ORDINARY SHARES, WILL NOT RECEIVE ANY NEW SHARES ON THIS OCCASION AND WILL HAVE THEIR DIVIDEND ENTITLEMENT RELATING TO THOSE SHARES CARRIED FORWARD IN UNITED STATES DOLLARS (WITHOUT INTEREST) AS DESCRIBED ON PAGE 2.