

MACQUARIE BANK LIMITED
(ABN 46 008 583 542)
(Incorporated under the laws of Australia)

**NON-COLLATERALISED WARRANTS
ANNOUNCEMENT**

**Proposed Issue of
15,000,000 European Style Cash Settled Put Warrants
relating to ordinary shares of Tencent Holdings Limited**

Introduction

Macquarie Bank Limited (the “**Issuer**”) wishes to announce the launch of the proposed issuance of 15,000,000 European Style Cash Settled Put Warrants (the “**Warrants**”) relating to the ordinary shares of Tencent Holdings Limited (the “**Underlying Shares**”). Macquarie Capital Securities (Singapore) Pte. Limited has been appointed as the designated market-maker (the “**Designated Market Maker**”) and the warrant agent (the “**Warrant Agent**”) for the Warrants.

The Warrants are cash-settled warrants which entitle a warrantholder to be paid a cash settlement amount (if positive) (the “**Cash Settlement Amount**”) in accordance with the terms and conditions of the Warrants.

Further details of the Warrants are set out below.

Entitlement/Exercise of the Warrants

The issue price of each Warrant is SGD 0.218. Every 40 Warrants will initially relate to 1 Underlying Share.

The Warrants have an exercise price of HKD 320.000 (the “**Exercise Price**”) and may only be exercised on 02 June 2020 (the “**Expiry Date**”).

Cash Settlement Amount

Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in the terms and conditions of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

The Cash Settlement Amount in respect of each Warrant exercised shall be an amount (if positive) payable in Singapore dollars equal to the Exchange Rate multiplied by: (A) (i) the Exercise Price (subject to adjustment as provided in the terms and conditions of the Warrants) LESS (ii) the arithmetic mean of the closing prices of one Underlying Share (as derived from the daily publications of the The Stock Exchange of Hong Kong Limited (“**HKEX**”) subject to any adjustments to such closing prices determined

by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date MULTIPLIED by (B) the Conversion Ratio. The Exchange Rate is the rate of exchange for the conversion of HKD to SGD as at 5:00 p.m. (Singapore time) on the Expiry Date as shown on Bloomberg provided that if the Bloomberg service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer. The Valuation Date is each of the five Exchange business days prior to and including the Exchange Business Day immediately before the Expiry Date. The **“Exchange Business Day”** is a day on which HKEX is open for dealing in Hong Kong during its normal trading hours. The Conversion Ratio (expressed as the number of Underlying Shares to which one Warrant relates) is 0.025000. The Exercise Price is based on the reference spot price of HKD 338.000 used for the pricing of the Warrants. The Warrants carry a premium of 20.1% and a gearing of 6.8 times.

Listing and Trading of the Warrants

An application will be made to the Singapore Exchange Securities Trading Limited (**“SGX-ST”**) for the listing of and quotation for the Warrants. The Warrants, when issued, will be represented by a global warrant certificate to be deposited with The Central Depository (Pte) Limited (**“CDP”**). The Warrants will be traded on the SGX-ST through the book-entry scripless settlement system of CDP. It is expected that dealings in the Warrants will commence on or about 02 December 2019 on the SGX-ST (**“Dealing Commencement Date”**). The Warrants will be traded in Singapore dollars on the SGX-ST.

Waiver of Rules 505(2) of the SGX-ST Listing Manual

As Tencent Holdings Limited (the **“Company”**) does not satisfy Rule 505(2) of the SGX-ST Listing Manual (**“Rule 505(2)”**) which requires the Company to meet the requirements in subsections (2), (3) and (4) of Rule 210 of the SGX-ST Listing Manual, the SGX-ST has, pursuant to Rule 107 of the SGX-ST Listing Manual, waived compliance with Rule 505(2).

The Designated Market Maker

The Designated Market Maker will provide competitive buy and sell quotes (**“Quotations”**) for the Warrants continuously during the trading hours of the SGX-ST (with the spread between the buy and sell quotes not exceeding 10 times the minimum permitted price movement in the Warrants in accordance with the rules of the SGX-ST or SGD 0.20, whichever is the greater). The minimum quantity of Warrants to which the Quotations will apply is 10,000 Warrants.

Quotations may not be provided by the Designated Market Maker in the following circumstances:

- (a) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (b) if the Warrants are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (c) where trading in the Underlying Shares is suspended or limited in a material way (including price quote limits activated by the relevant exchange or otherwise); for the avoidance of doubt, the DMM is not obliged to provide quotations for the Warrants at any time when the shares or securities relating to or constituting the Index are not traded for any reason;
- (d) where the Issuer or the Designated Market Maker faces technical problems affecting the ability of the Designated Market Maker to provide bids and offer quotations;

- (e) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (f) in cases where the Issuer has no Warrants to sell, then the Designated Market Maker will only provide the bid price;
- (g) if the stock market experiences exceptional price movement and volatility; and
- (h) when it is a public holiday in Singapore or Hong Kong and the SGX-ST or the HKEX is not open for dealings.

The last trading day on which the Designated Market Maker will provide competitive Quotations for the Warrants would be the fifth Exchange Business Day immediately preceding the Expiry Date, provided that if such day is not a Business Day, the first preceding day that is a Business Day.

Termsheet

A copy of the termsheet relating to the Warrants is attached as an Appendix to this Announcement.

Information on the Issuer

Macquarie Bank Limited (“**MBL**”) is an APRA regulated ADI headquartered in Sydney, Australia and is a wholly owned subsidiary of Macquarie Group Limited (ABN 94 122 169 279) (“**MGL**”). MBL’s expertise covers asset management and finance, banking, advisory and risk and capital solutions across debt, equity and commodities. MBL acts primarily as an investment intermediary for institutional, corporate, government and retail clients and counterparties around the world, generating income by providing a diversified range of products and services to clients.

MBL began in 1969 as the merchant bank Hill Samuel Australia Limited, a wholly owned subsidiary of Hill Samuel & Co Limited, London. Authority for MBL to conduct banking business in Australia was received from Australian Federal Treasurer on 28 February 1985.

MBL’s ordinary shares were listed on the Australian Securities Exchange operated by ASX Limited (“**ASX**”) on 29 July 1996 until the corporate restructuring of the Macquarie Group in November 2007. As part of the restructure, MBL became an indirect subsidiary of MGL, a new ASX listed company comprising a “Banking Group” and a “Non-Banking Group”. MBL comprises the “Banking Group” activities of MGL. Although MBL’s ordinary shares are no longer listed on ASX, MBL’s Macquarie Income Securities continue to be quoted on ASX and accordingly, MBL remains subject to the disclosure and other requirements of ASX as they apply to companies with debt securities listed on the ASX.

MBL’s registered office is Level 6, 50 Martin Place Sydney, New South Wales 2000, Australia. MBL’s principal administrative office is 50 Martin Place, Sydney, New South Wales 2000, Australia. The telephone number of its principal place of business is +612 8232 3333.

MBL comprises three operating groups: Corporate & Asset Finance (excluding certain activities performed in the Non-Banking Group); Banking & Financial Services; and Commodities & Global Markets (excluding certain assets of the Credit Markets business; certain activities of the Cash Equities business; certain activities of the Commodity Markets and Finance business; and some other less financially significant activities).

MGL provides shared services to both the Banking Group and the Non-Banking Group through the Corporate segment. The Corporate segment is not considered an operating group and comprises four central functions: Risk Management, Legal and Governance, Financial Management and Corporate Operations. Shared services include: Risk Management, Finance, Information Technology, Group Treasury, Settlement Services, Equity Markets Operations, Human Resources Services, Business Services, Corporate Governance, Corporate Affairs, Taxation Services, Business Improvement and Strategy Services, Central Executive Services, Other Group-wide Services, Business Shared Services, and other services as may be agreed from time to time.

For further information on Macquarie, please visit its website at www.macquarie.com.

The Issuer's long-term debt has been assigned a credit rating of A2 by Moody's Investors Service, A by S&P Global Ratings and A by Fitch Ratings.

Risk Factors

Investors should note that they are exposed to an exchange rate risk as the Warrants will be issued and traded in Singapore dollars while the underlying shares are traded in Hong Kong dollars and the Cash Settlement Amount is converted from a foreign currency into Singapore dollars. The value of the Warrants may therefore be affected by, amongst other factors, the relative exchange rates of the Singapore dollar and the Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Warrants. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies.

Issued by

MACQUARIE BANK LIMITED

26 November 2019

Macquarie Bank Limited ("Macquarie") is regulated as an Authorised Deposit-taking institution by the Australian Prudential Regulation Authority. Macquarie, acting through its Singapore branch, is authorised and licensed by the Monetary Authority of Singapore to carry on wholesale banking business in Singapore pursuant to the Banking Act, Chapter 19 of Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore.