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Non-collateralised Structured Products

**Notice of Valuation of Residual Value of
15,000,000 European Style (Cash Settled) Category R Callable Bear Contracts relating
to the existing issued ordinary shares ("Share") of Tencent Holdings Limited (the
"CBBCs")
(Stock Code : 65638)**

issued by

MACQUARIE BANK LIMITED

(ABN 46 008 583 542)

(incorporated under the laws of Australia)

Sponsor

Macquarie Capital Limited

Announcement

All capitalised terms not defined in this announcement have the same meaning as defined in the terms and conditions of the CBBCs (the "**Conditions**").

Under the Conditions, following the occurrence of the Mandatory Call Event ("**MCE**") of the CBBCs at 09:34:50 on 20 October 2017, the Residual Value has been determined to be HK\$228 per Board Lot (such Board Lot being 10,000 CBBCs).

The Residual Value is determined by us by reference to the following formula:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement} \times (\text{Strike Price} - \text{Maximum Trade Price}) \times \text{One Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

Where:

"Entitlement" means 1 Share(s);

"Strike Price" means HK\$352.880;

"Maximum Trade Price" means HK\$350.600; and

"Number of CBBC(s) per Entitlement" means 100 CBBC(s).

Subject to Settlement Disruption Event, all eligible CBBCs holders will receive the Residual Value on 25 October 2017, being three CCASS Settlement Days following the end of the MCE Valuation Period.

Hong Kong, 20 October 2017